

in their future relations with Spain. We submit that the Senate vote putting Spain into the European recovery program through a \$100,000,000 loan goes contrary to the spirit of this resolution. It is a Government loan that would be made without consulting other members of the United Nations. It has been denounced promptly by Secretary Acheson, and President Truman previously was on record as opposing such loans to Franco.

The importance of the proposed credit is precisely in its governmental character. There was no objection when a private American bank made a loan to Spain, nor would there be if the Export-Import Bank did so. As a matter of fact, the Bank last year found Spain a poor credit risk. The Senate is going against the almost universal condemnation of the Franco regime throughout the democratic world. The reasons given are primarily that Franco Spain is anti-Communist and that it has great strategic value from a military viewpoint.

Spain always arouses strong emotions, but it should be possible to consider the issue calmly. If our military leaders say Spain is necessary to a proper defense structure, one must accept their judgment. However, it should be obvious that we do not need to bribe Franco to become an ally. He has no choice in a possible war—not even of neutrality—for this time, instead of having a friendly Hitler he would have Stalin to contend with.

So far as his anticommunism is concerned, it is vital for Americans to keep in mind that the enemy in our century is totalitarianism, whether it take the form of communism or fascism. We fought the Second World War with communism as an ally, only to find at the end that the threat to world democracy was greater than ever. It would be extraordinarily short-sighted if now we fought communism with fascism as an ally.

It should be recognized that this measure may kill the last hope of overthrowing Franco and installing a democratic, non-Communist regime. It is hard to believe that the American people want to see Franco saved by American help. There is still time to defeat the measure and we sincerely hope that it will be defeated.

Mr. BREWSTER. It seems to me that in that editorial the members of the New York Times editorial staff have done something less than justice to their usual perspicacity and learning in suggesting that we do not need to concern ourselves about Franco, since he will be on our side anyway in the fight with communism. That, it seems to me, is both the most dangerous and the most damning admission they have made. In my judgment, the New York Times was entirely correct when it said that in any war with communism, Franco and the Spanish Government would be our inevitable allies, for the very good and sufficient reason that they were the first to conquer communism within their own country and are the mortal foes of communism. Will not the New York Times logically conclude that any measures designed in some degree to strengthen the Spanish Government today, which has the only army in Europe on whom we may confidently count, are well calculated to serve the interests of our country?

I should like to have the editorial board of the New York Times consider whether they want us to have weak and ineffective and unarmed allies, or whether they would desire, in accord-

ance with what we have understood to be our policy in seeking to strengthen western Europe, to strengthen an ally whom they consider it is absolutely certain we shall have. Apparently, however, the New York Times is not interested in seeing her strengthened in any way. It seems to me that the recent action of the Senate, in the vote of 65 to 15, is a sufficient indication that the Senate, at any rate, has a far more realistic approach to this problem than would be indicated by those who are clinging to the outmoded and unrealistic attitudes of the all too recent past.

I was about to insert also an editorial from the Herald Tribune on the Communist conspiracy, but the Senator from South Dakota has already done that; and also, the article dealing with Yalta. It seems to me that a steady awakening is going on, and those who have labored in the vineyard to awaken the American people to the perils of communism, and who insist on constantly strengthening our association throughout the world with those forces opposed to communism, may be profoundly grateful at the progress which is so evidently being made.

EXECUTIVE SESSION

Mr. MAYBANK. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The **PRESIDING OFFICER** [Mr. KNOWLAND] laid before the Senate a message from the President of the United States submitting the nomination of Leo A. Casey, of West Virginia, to be United States marshal for the northern district of West Virginia, vice Robert H. Mollohan, resigned, which was referred to the Committee on the Judiciary.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By **Mr. LONG** (for **Mr. JOHNSTON** of South Carolina), from the Committee on Post Office and Civil Service:

John M. Redding, of Illinois, to be Assistant Postmaster General, vice Paul Alken, resigned; and 96 postmasters.

The **PRESIDING OFFICER.** If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

UNITED STATES COAST GUARD

The legislative clerk proceeded to read sundry nominations in the United States Coast Guard.

The **PRESIDING OFFICER.** Without objection, the nominations in the United States Coast Guard are confirmed en bloc.

That completes the Executive Calendar.

RECESS

Mr. MAYBANK. As in legislative session, I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 7 o'clock and 49 minutes p. m.) the Sen-

ate took a recess until tomorrow, Friday, August 11, 1950, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate August 10 (legislative day of July 20), 1950:

UNITED STATES MARSHAL

Leo A. Casey, of West Virginia, to be United States marshal for the northern district of West Virginia, vice Robert H. Mollohan, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 10 (legislative day of July 20), 1950:

UNITED STATES COAST GUARD

To be chief boatswains

Claud E. Simmons	Marvin T. Duncan
William Miller	David S. Williams
Charles R. King	Frank Fitch

To be chief radio electricians

Edward J. Ellwood	Alexander Cseh III
Joel Ober	Ross J. Hensley

To be chief machinists

Harry W. Childs	Farrell E. Harvey
Henry C. Hedges	Duffy E. Rawls

To be a chief carpenter

Joseph B. Blanchard

To be chief pay clerks

Theodore M. Krotky
Anthony M. Spirl

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 10, 1950

The House met at 10 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, our Father, who dost hear and help those who seek Thee with humble and honest hearts, we pray that in simplicity and sincerity we may daily yield ourselves to Thy sovereign will.

May all who serve our Nation in the affairs of government bear calm and courageous testimony to their faith in Thy divine wisdom which never errs, and Thy divine strength which never fails.

Grant that we may have a clear vision of those spiritual principles which are the only foundation upon which mankind can build its habitation of friendship, its temple of righteousness and justice, and its palace of an enduring peace.

Hear us in the name of our Lord and Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H. R. 612. An act for the relief of Col. W. M. Chubb;
H. R. 1618. An act for the relief of Kenneth J. MacKenzie;

H. R. 1988. An act for the relief of Leslie A. Fry;

H. R. 2350. An act for the relief of Mrs. Marion M. Martin Jones;

H. R. 2805. An act for the relief of John F. Oettl;

H. R. 3605. An act to provide for the documentation of the Canadian-built vessel *North Wind*, owned by a citizen of the United States;

H. R. 4065. An act to provide for the relinquishment of mineral reservations in the land patent of Thomas Stephens;

H. R. 4117. An act to remove the present restriction relating to the granting of privileges within Kings Canyon National Park in order that privileges hereafter granted may be consistent with those granted in other areas of the national park system, and for other purposes;

H. R. 5157. An act for the relief of the legal guardian of Anthony Albanese, a minor;

H. R. 5282. An act to amend section 3 of the Organic Act of Puerto Rico;

H. R. 6657. An act for the relief of Georges Jules Louis Sauvage;

H. R. 6850. An act for the relief of Lt. Col. F. A. Ferguson;

H. R. 6959. An act authorizing the Secretary of the Interior to issue a patent in fee to William Watt;

H. R. 6960. An act authorizing the Secretary of the Interior to issue a patent in fee to James Wilbur Watt;

H. R. 6961. An act authorizing the Secretary of the Interior to issue a patent in fee to Mary E. White Watt;

H. R. 6963. An act authorizing the Secretary of the Interior to issue a patent in fee to Guy L. Heckenlively;

H. R. 6964. An act authorizing the Secretary of the Interior to issue a patent in fee to Josephine Stevens Goering;

H. R. 7043. An act to provide for the granting of an easement for a public road or public toll road through the wildlife refuge located in Princess Anne County, Va.;

H. R. 7192. An act to provide benefits for the widows of certain persons who were retired or are eligible for retirement under section 6 of the act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved June 20, 1918, as amended;

H. R. 7253. An act for the relief of Charles Wilson Roland and Mirtle L. Roland;

H. R. 7293. An act authorizing the Secretary of the Interior to issue a patent in fee to Charlotte Geisdorff Kibby;

H. R. 7294. An act authorizing the Secretary of the Interior to issue a patent in fee to Rebecca Collins Ross;

H. R. 7431. An act for expenditure of funds for cooperating with the public school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district, and for other purposes;

H. R. 7540. An act for the relief of Louise Peters Lewis;

H. R. 7773. An act to authorize the sale of certain allotted land on the Pine Ridge Indian Reservation, S. Dak.;

H. R. 7869. An act to provide for the furnishing of quarters at Newnan, Ga., for the United States District Court for the Northern District of Georgia;

H. R. 7887. An act granting the consent and approval of Congress to an amendment to the Atlantic States Marine Fisheries Compact, and repealing the limitation on the life of such compact;

H. R. 8144. An act to authorize the sale of a small tract of land at Great Falls, Mont.;

H. R. 8450. An act for the relief of Ralef Neahem, Iffe Neahem, and Ihnen Neahem;

H. R. 8597. An act to permit national banks to give security in the form required by State law for deposits of funds by local public agencies and officers;

H. R. 8767. An act to authorize the exclusion from the mails of all obscene, lewd, lascivious, indecent, filthy, or vile articles, matters, things, devices, or substances, and for other purposes;

H. R. 8792. An act to amend the statute relating to certificates of trade-mark registrations;

H. R. 8845. An act to provide for the conveyance of a tract of land in Kennebec County, Maine, to the town of Chelsea;

H. R. 8923. An act to provide improved procedures with respect to the financial control of the Post Office Department, and for other purposes;

H. R. 8944. An act authorizing the Ogdensburg Bridge Authority, its successors and assigns, to construct, maintain, and operate a bridge across the St. Lawrence River at or near the city of Ogdensburg, N. Y.;

H. R. 9074. An act to amend chapter 61 (relating to lotteries) of title 18, United States Code, to make clear that such chapter does not apply to nonprofit contests wherein prizes are awarded for the specie, size, weight, or quality of fish caught by the contestant;

H. R. 9120. An act to amend section 322 (b) (3) of the Internal Revenue Code;

H. J. Res. 453. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the First United States International Trade Fair, to be held at Chicago, Ill., August 7 through 20, 1950;

H. J. Res. 489. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Mid-Century International Exposition, Inc., New Orleans, La., to be admitted without payment of tariff, and for other purposes;

H. J. Res. 496. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the International Food Exposition, Inc., Chicago, Ill., to be admitted without payment of tariff, and for other purposes;

H. J. Res. 501. Joint resolution to authorize the procurement of an oil portrait and a marble bust of the late Chief Justice Harlan F. Stone.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H. R. 210. An act to authorize the conveyance of a portion of the United States military reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school, and for other purposes;

H. R. 602. An act for the relief of Fritz Busche;

H. R. 2121. An act to direct the Secretary of the Interior to convey abandoned school properties in the Territory of Alaska to local school officials;

H. R. 4136. An act for the relief of Helen M. Booth;

H. R. 4584. An act to provide for disposition of lands on the Cabazon, Augustine, and Torres-Martinez Indian Reservations in California, and for other purposes;

H. R. 4832. An act for the relief of Graphic Arts Corp. of Ohio;

H. R. 4989. An act to provide for the payment of just compensation to John H. Estate, Ltd., a Hawaiian corporation, for the taking by the United States of private fishery rights in Pearl Harbor, Island of Oahu, T. H.;

H. R. 6958. An act authorizing the Secretary of the Interior to issue a patent in fee to Francis Lee Edwards;

H. R. 7017. An act authorizing the Secretary of the Interior to issue a patent in fee to Edgar S. Bigman;

H. R. 7155. An act to authorize the Secretary of Agriculture to cooperate with the States to enable them to provide technical

services to private forest landowners, and for other purposes;

H. R. 7209. An act authorizing and directing the Secretary of the Interior to undertake continuing studies of Atlantic coast fish species for the purpose of developing and protecting fish resources;

H. R. 7439. An act to protect the national security of the United States by permitting the summary suspension of employment of civilian officers and employees of various departments and agencies of the Government, and for other purposes;

H. R. 8112. An act to provide for the transfer to the States of the replicas of the State seals removed from the Chamber of the House of Representatives of the United States;

H. R. 9023. An act to amend the Hatch Act; and

H. J. Res. 434. Joint resolution providing for recognition and endorsement of the California World Progress Exposition.

The message also announced that the Senate had passed bills, a joint resolution and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 294. An act for the relief of Hernando J. Abaya, his wife and two children;

S. 410. An act for the relief of the former shareholders and debenture note holders of the Goshen Veneer Co., an Indiana corporation;

S. 541. An act to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, with respect to clerks in air mail field railway post offices;

S. 665. An act for the relief of Margaret D. Scott;

S. 814. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Sisseton Indian Agency, S. Dak.;

S. 883. An act to authorize the taking and destruction of dangerous weapons in certain cases, and for other purposes;

S. 946. An act to permit credit, for purposes of parole, for time served in a Federal penal institution under an illegal conviction or sentence in the case of a person who is subsequently legally convicted and sentenced for the same offense;

S. 1140. An act to authorize credits to certain public agencies in the United States for costs of construction and operation and maintenance of flood-protective levee systems along or adjacent to the lower Colorado River in Arizona, California, and Lower California, Mexico;

S. 1832—An act to amend the Immigration Act of October 16, 1918, as amended;

S. 1913. An act for the relief of Adelaide Giovanna Summa;

S. 2487. An act for the relief of Dominic Arcella;

S. 2506. An act for the relief of Libuse Chalupnik Pavlish;

S. 2695. An act for the relief of Stella Jean Stathopoulou;

S. 2772. An act for the relief of Thomas N. Cole;

S. 2927. An act for the relief of Edmon Burgher;

S. 2948. An act to authorize the sale of certain land allotted to Clara Whitesell, Standing Rock allottee No. 915;

S. 2981. An act for the relief of Giuseppe Merinet Forgnone;

S. 3094. An act for the relief of Miriam Rosenblum;

S. 3107. An act for the relief of Boleslaw H. Drobinski, his wife, Marjorie, and his daughter, Janina;

S. 3157. An act for the relief of Setsuko Takata and Catharine Takata;

S. 3263. An act to amend Veterans' Preference Act of 1944 with respect to certain mothers of veterans;

S. 3367. An act for the relief of the law firm of Hunt, Hill & Betts;

S. 3426. An act to authorize the admission into the United States of an alien possessing special skill, namely, Gerhard Zahn, and his wife;

S. 3504. An act to promote the development of improved transport aircraft by providing for the operation, testing, and modification thereof;

S. 3654. An act to amend section 3 of the Postal Salary Act of July 6, 1945;

S. 3724. An act for the relief of Maria Sulikowski Forbes;

S. 3889. An act to increase the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States;

S. 3960. An act to amend subsection (b) of section 10 of the act of June 26, 1884, as amended (U. S. C., title 46, sec. 599 (b));

S. 3979. An act to fix the responsibilities of the Disbursing Officer and of the Auditor of the District of Columbia, and for other purposes;

S. 3987. An act to amend title 18, United States Code;

S. J. Res. 163. Joint resolution to designate the reservoir above the Baldhill Dam in North Dakota as Lake Ashtabula; and

S. Con. Res. 100. Concurrent resolution providing for the printing of proceedings at the unveiling of the statue of Brigham Young.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 3644. An act to amend the War Claims Act of 1948, as amended.

The message also announced that the Senate had adopted the following resolution:

Senate Resolution 326

Resolved, That when the Senate recesses or adjourns on Friday, August 11, 1950, it be until Monday, August 14, 1950, and that on said day, and until otherwise ordered, it meet in the old Supreme Court room in the Capitol.

Resolved, That all rules relating to the Senate Chamber shall be applicable to the old Supreme Court room.

Resolved, That the Secretary communicate these resolutions to the President of the United States and to the House of Representatives.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 9038. An act to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCLELLAN, Mr. HOEY, Mr. O'CONOR, Mr. MCCARTHY, and Mr. MUNDT to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of

the House to the bill (S. 1838) entitled "An act to amend title 28 of the United States Code relating to fees of United States marshals," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCARRAN, Mr. EASTLAND, and Mr. WILEY to be the conferees on the part of the Senate.

CALL OF THE HOUSE

Mr. SPENCE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PATMAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 227]

Barrett, Wyo.	Hobbs	Quinn
Boykin	Jennings	Regan
Bulwinkle	Johnson	Rivers
Cox	Keefe	Sabath
Dague	Kelley, Pa.	Sadowski
Davies, N. Y.	Kennedy	Scott,
Dawson	Larcade	Hugh D., Jr.
Denton	Latham	Shelley
Dingell	McMillen, Ill.	Sheppard
Eaton	Magee	Smith, Kans.
Elliott	Mason	Smith, Ohio
Engle, Calif.	Miles	Steed
Gillette	Murphy	Talle
Gossett	Murray, Wis.	Wadsworth
Hall,	Pfeiffer,	Whitaker
Edwin Arthur	William L.	White, Idaho
Hare	Phillips, Tenn.	Winstead
Hébert	Poulson	Woodhouse
Hinshaw	Powell	

The SPEAKER. On this roll call 368 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEFENSE PRODUCTION ACT OF 1950

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 9176, with Mr. SMITH of Virginia in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before rising on yesterday, the Committee agreed that the further reading of the committee substitute be dispensed with and open to amendment.

Are there any further amendments?

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there seems to be a sentiment on the part of some Members of the House to give the President powers

that he does not want and to reduce the powers that he does want to control inflation. If we do not give him sufficient powers to control the conditions that exist now the responsibility will be upon the Congress and not upon the President.

I have no sympathy with the argument that if we give the President these powers he will misuse them. I know the President, and he is pretty much the same man now as he was when he was Harry S. Truman, at Independence, Mo. He is not grasping powers, and does not want them except to be used for his country's good. To say that he would control the lifeblood of the Nation if you let him control the credit ought to have no weight with you.

It has been stated that under the act as originally drafted if John Smith lends his friend, Bill Jones, \$100, to be paid in installments, the lender and the borrower would have to make themselves amenable to all the provisions of this act. That is just pure nonsense. There would be orders and regulations that would exclude any transaction of that kind from the operation of the law.

The wise Constitution makers who created the office of President and who, I think, were probably the wisest men that ever sat around the council table—I think the Mighty Ruler of the universe had His hand upon their shoulders—granted powers to the President that were stupendous; unlimited powers. He is the Commander in Chief of the Armies and the Navies of the United States and of the militia when called into action. He can take the admiral off the bridge of the flagship as he goes into battle and say, "I command." He can take the commander in chief out of the field as our forces go into battle and say, "I command." But do you think he would do it? Of course he would not do it, any more than he would misuse the powers we are granting him under this bill.

He has the power of pardon and reprieve given him by the Constitution. He can open the gates of our Federal prisons and let out every man that has been convicted of crime. Is there any parallel in granting that power? Of course not.

He must approve or disapprove every act of Congress. He has the right to veto every act we pass. That is a stupendous power. Does he misuse it? Of course he does not, and no President ever has misused it.

He has a great responsibility. He is a normal man, and I know that responsibility weighs upon him. Then to talk about diminishing these comparatively trivial powers that are provided for in this bill, that amount to nothing as compared with the powers that were given him in the Constitution, is pure nonsense.

The President is not seeking these powers to enslave the people. He is not seeking these powers to destroy the lifeblood of our economy. He is seeking them to meet a condition which exists now and a condition he cannot meet unless you grant him these powers. I ask

when you consider these things, to approach it in that spirit.

He can negotiate all the treaties of the United States, and if they are approved by the Senate, they become the supreme law of the land. Then it is said if we let him control a little credit we are taking a great chance on having the power misused. Please approach the consideration of this bill in that spirit in which the wise makers of the Constitution approach the problem of the creation of the office of President of the United States and the delegation to him in that greatest charter of government ever devised by man.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have very deep respect for the gentleman from Kentucky. I think there is no more able, deep thinking, and fundamentally thinking, man in the House than the gentleman from Kentucky, BRENT SPENCE. He is a philosophical gentleman, fair in all of his undertakings, and, of course, in realizing that the President has all these extremely important powers which are given to him by the Constitution he must recognize that the Congress of the United States is also a part of this governmental integrated machine by which through checks and balances America operates and has become the greatest country under God's canopy. We want to keep it that way.

Now, to take literally the statements of the gentleman from Kentucky we here in the Congress might abdicate our position as one of the three integrated branches of this American system of government with the assurance that the President of the United States, after receiving these powers, would be a benign dictator. The mere presence of the powers in the Executive sometimes is as destructive as the actual use of the powers. That is why we here in the Congress, a branch of the Government set up by those same founding fathers who created the executive branch, have an obligation to the people to preserve the American system of government and be very, very careful about the delegation of powers to the Executive, regardless of the individual who happens to occupy that office.

We should be very careful about the delegation of those powers which are fundamentally and basically delegated by the Constitution to the Congress.

We have a direct obligation to the people, because we are closer to them, as their representatives, than any other branch of the Government. The President is given a great many powers, but he has never, under the Constitution or by delegation from this Congress, had one single power that the Congress could not check on and balance off, either by overriding the Presidential veto, by refusing to confirm his treaties, or going further, even by impeachment. We have always in this Congress reserved the right to check, and check perhaps immediately, upon autocracy, upon any misuse or maltreatment of the powers which we have delegated, or powers which the President has under the Con-

stitution. We should always keep ourselves in that position. If we do not keep ourselves in that position, if we do not keep the fundamental, the basic concept of our republican democracy, the principles of which are established by the Constitution, in which each branch of the Congress retains its position as that of a check or balance against the other, then we destroy American constitutional government. We destroy the American system of government. We destroy the basic principles upon which this country has become the greatest country in the world. That is my obligation, and it should be yours.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. Wolcott] has expired.

Mr. MULTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wonder if the Members realize the travesty which we are making of the great lawmaking power of this Congress. The shouts had hardly died down that we were not giving the President enough power when the men and women of this House were called upon to vote upon amendments to the pending bill to strike out of the bill some of the powers he asked for. You will be asked in a few minutes to strike out some of the others.

This is not a question of whether or not we are going to have any checks and balances. This Congress cannot administer any law that it enacts. You must create an agency or vest the power in someone to administer the law that we pass. That is what we are doing and what we are asked to do now, to vest in the President or in those to whom he may delegate the power, control of inflation in this country. You unhesitatingly gave him the power to control the lifeblood of the boys and girls, the youth of this country, who are going to do the fighting for us. Why do you hesitate now to give him the power to control the economy of the country? You are going to give him the right to control prices and wages, but you are not going to let him control the banking institutions and those who want to gamble on the commodity exchanges. You are going to say to the little men and women of this country, "You cannot buy a table or a bed for your home on the installment plan; you cannot go to the corner grocer or butcher and buy your foodstuffs for the table on a charge account, but we are going to let the gamblers continue to reap a harvest on the commodity exchange."

You are going to let the real-estate interests run wild in the lending of money for the roofs over their heads, while denying them the equipment for those same homes. And you talk about checks and balances. You have all the checks and balances you need in this very bill.

By concurrent resolution we can recall those powers overnight. What are you afraid of? The Commander in Chief, whom you have empowered to send those boys wherever they may be needed to defend our shores? He may do that, but you will not let him tell you that you

cannot buy the materials that go into the armaments and matériel that those boys will need to carry on the battle.

Oh, what a travesty you are enacting here by what you are doing.

In a few moments you are going to be called upon, I hope, to stand up and be counted and have your names recorded permanently in the records of this Congress so that your children and the children who come after them may know who stood up here and said: "Send them over to fight, but keep from them that which they need to fight."

"Regiment the boys into the armed services. Regiment little lobbyless John Q. Consumer back home. But stay away from the untouchables who can pressure us with their powerful lobbies. Exempt the agricultural exploiters, the commodity exchange manipulators, and the real-estate interests."

"Control the little man and woman in the home and in their daily activities, but let the money lenders, and the money changers, and the gamblers run riot."

The time will soon come for you to be recorded; let your conscience be your guide.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, there is no one of us who would take issue with the particular statements made by the gentleman from Michigan [Mr. Wolcott] under ordinary conditions; but we are not faced with ordinary conditions today; we are faced with a condition of danger, and when a condition of danger or imminent danger to our country or our way of life arises—it is much broader than our country, it is an attack, a challenge to a way of life which involves many peoples and countless of millions of people who are dominated by Communist dictators, people who want to be free and who believe in our way of life—we have got to meet it.

My friend from Michigan overlooked one important fact, that the Congress always has control of the purse—to appropriate money, and thereby can always control delegated powers. That is the great power of the Congress of the United States, control of the purse strings.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. WOLCOTT. I wish to call the gentleman's attention to the fact that in this bill we delegate the power of appropriation to the President.

Mr. McCORMACK. Will the gentleman state in what way?

Mr. WOLCOTT. Yes, I will.

Mr. McCORMACK. You mean by the creation of corporations?

Mr. WOLCOTT. No; by directing the Treasury to buy the obligations of these agencies and treat it as a debt.

Mr. McCORMACK. That is not the power to appropriate. That has been passed on. We had that in the housing bill and other legislation. I am talking about the power to appropriate, to employ help, to carry on in actual operation any of the delegated powers that

might be given to the President. The Constitution vests in the Congress the power to appropriate, and the provision to which my friend refers has no relationship to that.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. PATMAN. May I invite the attention of the gentleman to the fact that under section 513 the Congress is further enabled by concurrent resolution to repeal any provision of this act?

Mr. McCORMACK. That is correct.

Mr. Chairman, we are faced with a world situation. Even under ordinary circumstances we have to delegate powers; we delegate powers to Federal agencies, the Federal Trade Commission, the Interstate Commerce Commission. All of our agencies particularly of a quasi-judicial nature have powers delegated to them which are both judicial and legislative; and we do that because the Congress cannot legislate with reference to every detail in the operation of a branch organic law, and I refer to the agencies that have regulatory powers. We have to delegate to them both quasi-judicial and quasi-legislative powers.

My friend from Michigan talks about the President's constitutional powers. The powers of the President under ordinary circumstances under the Constitution are limited. It is true that when an emergency is officially declared or war actually occurs tremendous war reserve powers come into operation that the President can utilize, but only after an emergency has been declared, a national emergency, or only after we have actually entered war or war has been declared, officially declared. We are not in that situation now; there has been no official declaration of a national emergency, and there has been no official declaration of war; so the war reserve powers that a President, not President Truman but a President of the United States, from the very day that our constitutional Government was instituted, possesses are not in operation now; therefore we have to go through the method of legislation and delegate powers to the President.

Even when a national emergency is declared, when we are at war, the reserve war powers of the President do not cover every field. So the framers of the Constitution took into consideration all of these things. They had confidence in the man who may be President of the United States, the only man whose constituency is the entire country.

We have a situation here where the great majority of the Members of this body want stronger powers in this emergency. We cannot legislate for every one of them. We have to delegate them somewhere. This bill sets forth proper standards that the President must meet.

Mr. Chairman, it seems to me we have got to face realities. We are doing it within the constitutional framework of our Government. I hope, therefore, that these amendments and the other amendment that was adopted yesterday will be defeated.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HALLECK. Mr. Chairman, I move to strike out the requisite number or words.

Mr. Chairman, on last Friday after several days of rather futile work there were some consultations held and the matter of this pending legislation was put over until yesterday. Since that time there have been talks about bipartisanship. I do not know for sure what is meant by that; but in any event I take it to mean that politics as such might be given up for the moment and that we might proceed to try to write fair legislation to meet the real problems that confront us.

It is apparent from what we have heard from the Democratic side here today that the big drive is on to forestall any limitation that the Congress might see fit to write into legislation dealing with the powers requested by the President. I do not think that is quite the way to approach it. It was known last week that the gentleman from Michigan and many other Members of the House were very insistent that certain amendments be written into this legislation and it appeared then that Members in sufficient number would support the amendments. I do not know why at this hour there should be so much concern unless it is to save face or to say arbitrarily that there can be nothing touched in this legislation. To my mind that is not the proper way for the House to legislate and certainly it should not make much of an appeal to the Members on either side of the aisle.

It is said this country is in a crisis. Of course no one knows for sure how much of a crisis we are in. It is being contended that this is not a real war that we are in, that it is only a police action. But there are many people in the country who think we are rushing headlong into too much regimentation, too much control, and a lot of the people, at high and low places both, are concerned.

Everyone recognizes through the years of history of this great country that the people have evidenced their genius for self-government in being willing to go along in times of crisis and to grant great powers over the lives of the people to a strong centralized Government. That is all right. But is that any reason to say that we must grant more powers than are needed? Throughout our history likewise has the genius of our people for self-government been evidenced in the fact that once the crisis has passed, they have recaptured for themselves the powers that they willingly yielded. It may be all right to say that by a concurrent resolution the Congress can recapture these powers. However, those of us who have served here in recent years are not going to be misled by that argument because we have seen how increasingly difficult it has become month after month and year after year to recapture those powers for the people.

Now, what lesson does that point for us? May I say to my friends on the

Democratic side of the aisle as well as on my side, it points clearly to the proposition that as responsible Members of this great branch of the Government we should yield no more powers to the Executive than are necessary to meet our necessities. What is the principal problem before us as it is presented? Why, it is to carry on this war or police action, whatever you want to call it, to a successful conclusion, to muster our resources to bring about that successful conclusion, and at the same time to see to it, if we can, that run-away inflation does not destroy us here at home.

That does not mean, my friends of the committee, and Mr. Chairman, that it is required of us that we regiment the country completely or socialize the country. You know, I have always said that no dictator nation could lick us because the productivity of men enslaved to a state can never equal the productivity of freemen. That has been proved time and again. Now then, I do not say that in these measures we are enslaving the American people but, believe me, unchecked, used without restraint, it could go far in that direction.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Under those circumstances does it not behoove us now, under our responsibility, to grant only the powers that are needed? And, if later on more are needed, then it will be as easy, yes, easier for the Congress to grant those additional powers than to recapture them, once excessive power is granted; or yes, possibly to undo the damage that we might create by going too far.

Much has been said about the boys fighting abroad. Of course, they are fighting abroad. What for? Some of them say they do not know. Well, I think I know. They are fighting for their country; they are fighting for the kind of government we believe in; they are fighting for free people because they want us to remain that way, and I think the force of their arms, supplied by this great country of ours here at home, will be successful. But, is that any reason why we should jeopardize here at home the very thing which they are fighting to preserve?

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Might I call the attention of my friend to the fact that the House itself is giving to the President greater power than he actually asked for?

Mr. HALLECK. Now then, let me just say to the gentleman from Massachusetts, when the debate opened on this measure under the rule, I said then that there was no real emergency in respect

to any of the powers asked in the committee bill as reported to justify proceeding without hearings, unless maybe it is on the consumer credit side. Why, less than 5 percent of the steel of this country is going into defense production. Will anyone challenge that? No, you cannot, because it is the truth. There is no actual war effort operation that is being prejudiced in any way by any lack of power in the Government.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I would like to respond further to what the gentleman asked me and then I shall be glad to yield.

I said also in that opening statement that if there was anything of immediate emergency or consequence that demanded immediate action by the Congress, it was this matter of increasing prices. Now then, that is the reason, if I may remind the majority leader, that the Congress moved to meet that emergency. The chairman of the Committee on Banking and Currency said that the only reason we had the original Spence substitute was because the minority was demanding that something be done about inflationary tendencies.

Beyond that, I still insist that the powers asked for in this committee bill as reported are broader than are necessary or essential or advisable, and it is no argument against our insistence that some of those powers be restricted to bring them in line with the immediate necessities to say that because somebody insisted that something be done on the price control front that we are asking for more power than the President asked for himself.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman has frankly stated his position now, as he did before. The gentleman is of the opinion that there is no necessity for any legislation now. Is that correct?

Mr. HALLECK. I did not say that.

Mr. McCORMACK. I agree that the gentleman did not use that language; that is true. I want to be fair. But is that the deduction to draw?

Mr. HALLECK. No.

Mr. McCORMACK. The gentleman is opposed to the committee substitute?

Mr. HALLECK. If the gentleman will permit me, I can make myself perfectly clear.

Mr. McCORMACK. I am a little bit too fair to try to ask a catch question. I would not do that.

Mr. HALLECK. The gentleman is not asking me a catch question. If there is a catch, I will find it.

Mr. McCORMACK. I would not do that.

Mr. HALLECK. I appreciate that. The gentleman from Massachusetts has always been fair with me and I try to be fair with the gentleman. I propose to vote for this bill, hoping that it will be amended in several particulars. That is a fair answer, is it not?

Mr. McCORMACK. Is the gentleman in favor of all the provisions of the bill?

Mr. HALLECK. I certainly am not. I do not believe I am required under my responsibility to come in here and rubber stamp any proposal that comes from downtown. In my time here I have seen too much of that.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the President asked for powers that would permit him to set up an agency that would grant priorities and allocations, also authority to requisition plants that are needed in the war effort, also for the expansion of productive capacity and supply, in addition to control of credit and commodity speculation. He did not ask for broad powers. Now he is criticized because he has asked for broad powers, which he has not asked for.

It is true that probably a majority of the Members of this House, doubtless a majority, want something done about prices and wages. I am for that myself. We have written that provision into this bill, which is satisfactory to the majority. The President is perfectly willing to accept the responsibility. He has said so publicly. But he has not asked for the broad powers that the gentleman from Indiana and the gentleman from Michigan have stated here on the floor of this House, he has asked only for limited powers.

WORTHLESS MONEY

The gentleman from Indiana [Mr. HALLECK] said that free people work better than those who are slaves to the state. I thoroughly agree with him. At the same time, free people in a free country like our own will not willingly work for worthless money. Unless you do something to stop it, we are going in the direction of worthless money in this country. I do not care what kind of a war we have, people will not willingly work for worthless money.

This is an effort to stabilize our country, to stabilize the dollar, to keep it from becoming less valuable. We want valuable dollars, so men will willingly work for valuable dollars to build our country in time of peace and save it in time of war.

Pretty soon we will have some amendments offered to exempt the big fellows which is wanted by the real-estate lobby. They want to be exempted. They do not want to be included. The amendment will come up and strong pleas will be made for it, and there will be amendments providing exemptions for other special classes and special groups. All these powers are wanted up to a point, but when you begin to step on the toes of certain people in this country they

begin to scream and then ask for exemptions from those powers.

Mr. Chairman, this bill is a very reasonable bill. It grants the President the powers that he has asked for, if it is not substantially amended and the main parts of it taken out. It also provides for price and wage controls.

Yesterday a provision was written into the bill which, if carried out to its ultimate conclusion and if the intention of that provision is carried out, is likely to wreck the country. This bill in the Senate provides for a separate agency to administer it. You cannot set up a separate agency in 3 months, and probably in not less than 4 or 5. So, if you force the President to fix price and wage controls immediately, with no mechanism to enforce or administer it or adjust any inequalities or injustices, there will be so much confusion and chaos that the whole thing is liable to break down in 90 days. So I still think this bill is a good bill with these three gears: First, voluntary controls; next, selective controls; and next, all-out controls.

During the time in which the first two phases are in operation, we will be preparing for the third phase, if and when it becomes necessary. But we cannot do it all when we have no mechanism set up to do it. I hope the bill is passed substantially as is, without amendments calculated to destroy it.

Mr. KUNKEL. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I rise for the purpose of making a few comments on some of the remarks that have been made this morning. The gentleman from New York took the floor and said that during the past few days we have been conducting a travesty here on the floor of the House because we have been giving, or trying to give, the President some powers that he did not want, and were not giving him some of those for which he had asked.

If the Congress is a deliberative body in which reside the ultimate powers of our Government, then, when the question arises as to what powers we should give the President, the Congress is performing its proper function and proper duty when it decides which powers are to be conferred upon the President and what powers are to be denied to him. It is just very probable that the combined judgment of this body is better in that respect than the judgment of the President. It is only human nature for a man facing a serious emergency to desire more power than it is wise or expedient to grant to him.

I have no criticism whatever of the President when he asks for the powers that he has sought. I am sure that the President asks for those powers because he thinks they are required to carry the present operation in Korea through successfully and to meet any other crises which may arise. At the same time, I think we have the duty and obligation to decide these questions ourselves. That is exactly what we have been doing during the past few days. Instead of being a travesty, it is a fine exhibition of the Congress and its Members perform-

ing their proper functions. I think the conclusions that have been reached by this body have strengthened the bill and will strengthen the position of the President of the United States, if and when the bill is finally passed in substantially its present form.

The gentleman from New York referred to the credit provisions of the act and said that they freed real-estate credit. As a matter of fact, the provisions on real estate in this bill at the present speaking are exactly the same as they are in the committee bill because the amendment offered by the gentleman from Michigan on credit only went to the general credit provisions and not to the real-estate provisions at all.

Mr. Chairman, I want to divorce this question completely from one of personalities. I have confidence in the President of the United States. I do not think he is a man who is particularly grasping for power. But, at the same time, the man who now occupies the office of the Presidency of the United States may not be there forever, no matter what your opinion of him. That same power may reside in someone else. Once power is acquired, it is never easy for mortal man to give it up voluntarily.

I say to you of the opposite political faith it may be in the hands of a Republican in 1952. The question is, Are we to transfer the power, and how much power; not to whom is the power to be transferred. It is the duty of the Congress to meet that situation. I think the President has asked for too much power in some respects, but not enough in other directions. I do want to call your attention to the fact that the gentleman from New York [Mr. MULTER] referred to taking property when we are sending the boys overseas. Actually, there has been no amendment offered or adopted so far which changes in any material way the President's request or the committee bill in respect to priorities, allocations, or requisitions. All we are trying to do in the credit provision is to give the President the power which he now needs over credit, but to reserve the ultimate power so that it can be decided upon later, if and when there might be a real need for such action.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. No; not at this time.

I think the President has asked for too much power. I think we should cut him down. I think we should select what phases of power we should grant him. If the bill were passed in its present form, under the present circumstances, we will be giving him more power than a good man would want and more power than a bad man should have. So let us exercise our selective judgment. Let us not just come in here and say, "We are in a tight spot. We would like to get out of it. So, as Members of Congress, we are going to shed our responsibility. We are going to turn this all over to the President, and then, if anything happens, we can say, 'It will be your fault, and not ours.'" Let us stand up and meet our obligation.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. KUNKEL] has expired.

Mr. COOLEY. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On pages 44, 45, and 46, strike out all of section 411.

Mr. COOLEY. Mr. Chairman, I hope that the Members of this House are not confused, but as I have listened to the debate on this bill, I am actually beginning to wonder. Certainly, this is no time for bewilderment. It is a time for clear thinking and forthright action.

Many Members of this House appear to be somewhat confused about our international situation and somewhat uncertain about just what is going on in Korea. Yesterday an able Member of this House made a speech, which he began by saying, "We are not technically at war." This morning several other Members made speeches indicating great uncertainty regarding our situation in Korea. They were apparently timid about calling it war and seemed to prefer to refer to it as some sort of police action. This is no time for uncertainty, and surely this is no time for hypocrisy, and it is no time for us to be deluding ourselves. All of us must know that we are actually and technically at war. Our countrymen are fighting and dying every hour of the day and the night. If we are not technically at war, pray tell me by what right doth the President of this country, the Commander in Chief of our Armed Forces, send the youth of this Nation 7,000 miles from their homes and firesides to fight, to bleed, and to die in a foreign land? Whatever the exact character of the conflict, the fact remains that it is a battle to the death.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. POAGE. If we are not technically at war, when did we sign a peace treaty with Germany and Japan?

Mr. COOLEY. I was just going to point that out. Certainly, we are technically at war, because the documents of peace have never been drafted or the terms of peace agreed upon. The North Koreans have not invaded the territorial integrity of this country or any of its possessions, but they have violated a trusteeship which we are exercising in that part of the world. We need not deceive ourselves by wishful thinking. We are at war.

Mr. JENSEN. And a shooting war.

Mr. COOLEY. Yes, a shooting war in which men are being maimed and murdered. Yet we sit here and seem to think that we are engaged in a kind of "police action". Certainly my son is not a policeman nor is he a member of a police force. Neither is your son, and sons of other Americans who are now getting ready for the eventualities of a war which is being waged seven or eight thousand miles from home. We liberated Korea from the onslaught of Japan. The partition of Korea is one of the

great tragedies of history but south of the thirty-eighth parallel we have a responsibility which we may not honorably shirk. Let us face up to the fact: This is no police action. It is nothing short of war.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. RANKIN. Will the gentleman discuss his amendment? I am very much interested in his amendment.

Mr. COOLEY. Yes, I shall be very glad to discuss the amendment I have offered. I apologize for trespassing upon your patience with observations concerning Korea.

There is nothing in the Korean situation which has prompted the request for the power which this bill seeks to confer upon the President to control margins on commodity exchanges. This power was requested more than a year ago, long before we even dreamed of the conflict in Korea. Out of respect for the Secretary of Agriculture's wishes, I introduced a bill which would have, among other things, granted this power to fix margins. Hearings have been held, investigations and studies have been made, but the bill has not been reported. I am not complaining because the matter has been summarily taken away from the legislative committee to which it was properly referred but I do object to the emergency being used as an excuse for requesting this control over commodity exchanges. I am not talking about jurisdiction; I am discussing the merits and demerits of the proposition involved. Neither the President, nor the Secretary of Agriculture, nor any other official of the Executive Branch of the Government has ever had the authority over the commodity exchanges which this bill seeks to confer. The authority is not needed and should not be granted. There is nothing in recent transactions to warrant this unwarranted demand for power.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HALLECK. Furthermore, in the Committee of the Whole the gentleman's amendment was sustained by a 2-to-1 vote. Can the gentleman explain to me why the Committee on Banking and Currency persisted in putting it back in the bill?

Mr. COOLEY. I regret very much that I cannot explain it. After the Committee of the Whole acted the other day I thought certainly that the Committee on Banking and Currency would accept this amendment and completely eliminate section 411 from the bill.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BROWN of Georgia. I supported the gentleman's amendment when it was first considered, striking out section 411. I introduced an amendment and it was adopted to the effect that the section should not apply to bona fide hedging transactions. I found afterward that it would not do the job. We met the other day. As the gentleman stated we

passed this amendment on the floor the other day by a 2-to-1 vote. In our committee on yesterday we had a tie vote on this amendment, 12 to 12. The other body gave about three times as much consideration to this bill as we have, and they struck out section 411. I do not think it ought to be in this bill. I think the gentleman is correct. It was given consideration both here and in the other body, more consideration in the other body than we have given it, and it was rejected.

I hope the gentleman's amendment will be adopted.

Mr. COOLEY. I thank the gentleman very much.

I should just like to say in concluding that I wish I had time to discuss the merits of this amendment fully. I am not proposing it as a farmer; I am not proposing it merely because I happen to be chairman of the Committee on Agriculture of the House; certainly, I am not proposing it to protect gamblers.

Some gentleman called these people who speculate or trade on these markets gamblers. I am not conscious of the fact that they are gamblers. The mere fact that he says they are gamblers does not make them gamblers. Let me say this: If these commodity exchanges were cesspools of crime, if in these exchanges crime flourishes, if they are vortexes of vice and dens of iniquity, then we ought not to regulate them; we should not try to control them; we should lock them up and outlaw them. But I can prove by the Secretary's own language that they are needed in the orderly marketing of our agricultural commodities.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOPER. Mr. Chairman, I ask unanimous consent that the gentleman from North Carolina may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOLEY. The Secretary's letter clearly indicates that hedging, bona fide hedging, is desirable. He frankly admits that speculation is necessary if you are going to have bona fide hedging. He complains only about excessive speculation. What is excessive speculation? He does not know any better than you or I. I can prove by the records of the Commodity Exchange Administration that the smallest price increases have occurred on commodities on which there has been the greatest volume of trading.

Notwithstanding the record, the Department of Agriculture is apparently frightened by the volume of trading; yet the record discloses no cause for fear. The volume of trading on eggs was up about 128 percent, but the price of eggs went up only about 5 percent. Even though the price of eggs did advance slightly, eggs have not reached the support-price level and the Commodity Credit Corporation is at this very moment buying eggs by the thousands of

dozens. Why? Because the egg price has not reached parity, and yet we are complaining because somebody has said there is speculation in eggs.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HOPE. Is it not a fact that the Commodity Credit Corporation, as stated yesterday very ably by the gentleman from Georgia [Mr. Brown] has vast quantities of almost all of the commodities which are traded on the exchanges? The very fact of that Government ownership will in itself prevent any wild speculation in those commodities either on or off the exchange.

Mr. COOLEY. The gentleman is right. Furthermore, if we have price ceilings on these commodities why do you want to close up the commodity exchanges?

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Tennessee.

Mr. COOPER. Is it not true that the adoption of the gentleman's amendment will serve the purpose of continuing the present orderly procedure with respect to agricultural products?

Mr. COOLEY. The gentleman is correct.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. The purpose of this legislation is to prevent excessive price increases, is it not?

Mr. COOLEY. Yes.

Mr. POAGE. Has not the gentleman as a farmer, as one who has lived in a farm country heard all his life from every farmer in the country the complaint that the futures market kept the price down?

Mr. COOLEY. That is the farmers' complaint.

Mr. POAGE. Has that not been the consistent complaint for 50 years, that the futures market kept the price down? Are we to destroy a thing that has been keeping the price down at the very time that our sole purpose is to keep the prices down?

Mr. COOLEY. No. May I say that the businessmen of this country trade on these markets. They protect their inventories.

Let me sum up by saying that the complaint is made about volume of business. If you life the margins and drive out the numerous thousands upon thousands of little traders on these exchanges, then it is clear to see that the trading will be done by a comparatively few people. Then one large transaction will have such an impact upon the market that you will see wild market fluctuations and gyrations, and futures trading will be monopolized and in the hands of a very few people.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New York.

Mr. MULTER. I have the utmost confidence in the gentleman and in those who take the same position that he does with respect to this amendment. I respect the motives that prompted the gentleman to offer the amendment. I would like to have the gentleman explain the provision in the amendment. The provision he is seeking to strike out is aimed only at traders who are gamblers.

Mr. COOLEY. Who are the gamblers? The gentleman continually uses the expression "gamblers."

Mr. MULTER. But will you keep out of speculating on the commodity exchanges those men who have nothing to do with any of the commodities traded in, but simply go in and buy the futures and gamble?

Mr. COOLEY. How can you ever hedge? How can you ever sell unless you have somebody to buy? These people go in and they buy and sell. I can prove to you by the records of the commodity exchanges that these speculations that the gentleman is talking about do not materially or substantially influence the price that the farmers receive or that the ultimate consumers pay.

Mr. MULTER. Explain to us how you can keep those who are not legitimate traders out of the commodity exchanges and stop them from gambling without this provision in the bill?

Mr. COOLEY. The gentleman has these exchanges in his own city. I cannot explain to you in a few minutes what my committee has learned in 12 months, during which time we have sent members to New Orleans, Chicago, New York, and every place else.

You refer to the traders on these exchanges as gamblers. Who are the gamblers, and who are the righteous citizens? If bona fide hedging is to be permitted, and if speculation in some degree is legitimate, then where shall we draw the line between vice and virtue? Who shall select the malefactor and who shall designate the honest man? This is nothing but a grasp for power. Yes, the power of life and death over an American business institution which has been permitted to operate through many long years, both in times of war and in times of peace. If the commodity exchanges should be abolished, if they exercise an evil influence and serve no good purpose, why not kill them outright and banish them from American life? Certainly no one—not even those who request the power to control—would in forthright fashion advocate closing these exchanges. I wish that time would permit me to discuss this proposition more fully, but I must conclude. In concluding, however, I want to emphasize the fact that commodity exchanges are now regulated by Federal law and are cautiously supervised. Those who would do evil must be very cautious or they will be caught and prosecuted.

I urge the adoption of my amendment.

Mr. DAVENPORT. Mr. Chairman, there is a fifth column busily at work in our country. I refer to the greedy war profiteers and price gougers who have

made it mandatory that we impose price controls now.

These unprincipled profiteers who are squeezing profits out of the blood of our brave GI's should be branded as traitors. From my observation the people of this country are far ahead of the Congress. They are demanding strict controls on prices and wages and with these they demand tighter controls on credit and an excess-profits tax.

If steadily rising inflation is not to seriously hinder our defense effort during the present emergency, a system of credit controls must be adopted at once.

This is the only alternative to a system of general price controls on commodities, wages, and rents which would create great discomfort among the American people and which would make necessary the lengthy procedure of setting up a vast bureaucracy for the administration of these price controls.

The preferred method of control at this time is the immediate institution of credit controls which can take effect immediately. Credit controls would serve to relieve the inflationary pressure which has come into being during the present national emergency. If steps are not taken to control credit and to channel the flow of scarce materials and manpower away from the production of consumer goods, our national defense effort will be seriously hindered. We cannot permit competition for scarce commodities between producers of consumer goods and producers of goods for our national defense to create inflation and to divert scarce commodities away from the defense effort. The pressure put upon our economy by overexpansion of consumer purchasing power must be relieved. The institution of credit controls would serve to relieve this pressure effectively and immediately.

Consumer credit controls have been shown by the experience of World War II to be useful and desirable when the economy is straining, as it is now, to provide the things required by consumers and by national security operations. When an economy is working at nearly full speed as ours is at the present time, and is required both to shift kinds of production and further to expand, then consumer credit controls have a number of useful results.

First. They restrain price increases of durable and semidurable commodities; the market for such commodities is sensitive to credit terms, and requirements of more cash outlay for down payments and larger current monthly payments, as maturity dates are shortened, restrain bidding up of prices.

Second. The elimination of rapid and large price increases, of the commodities which require the materials that are needed also for national security operations, contributes directly to the prosecution of the security operations.

(a) The operations are made cheaper, consumer credit controls making it possible for the military to outbid civilians more readily. The Nation gains in reduced armament costs, which necessi-

tates less tax and debt increases than would occur if credit were not controlled.

(b) The operations are made more effective because the greatly increased procurement of materials and supplies and finished armament "hardware" is not impeded by reluctance of suppliers to turn away from civilian markets; the civilian markets are limited, rather than offering uncontrolled possibilities of extraordinary profits.

(c) The need for direct controls, such as allocations, priorities, rationing, is lessened, allowing more freedom to the whole population than would be possible if unlimited scarce buying and hoarding were to force the Nation to impose such controls now. The savings in administrative manpower, and the savings in time of consumers and businessmen are great and important considerations when the economy is expanding to meet new demands for production.

Third. Consumer credit controls make other controls more workable. Controls such as on other lending, heavier taxes, and so on, which are intended to hold down prices as well as to aid war preparations, will be more effective when consumer demand is restricted by credit controls applied to durable and semidurable goods and to charge accounts on other merchandise.

Fourth. Consumers are protected against incurring indebtedness which would prove extremely burdensome to themselves, and are required to purchase sanely and within their resources.

The justification for controlling consumer credit is to be found in these consequences of such control.

The justification is to be found also in this fact: The credit granting possibilities of sellers and lenders are enormous, as a result of years of prosperity; no restriction on consumers could be expected to come voluntarily from sellers. The restrictions must be placed on purchasers, whose resources are limited, when the resources of lenders are so great that control over bank credit to which they might have recourse would not seriously limit their lending capacity.

Mr. Chairman, I wish to call attention to the fact that the National Retail Dry Goods Association has endorsed credit control. Here I wish to read excerpts from an article appearing in the New York Times August 4, 1940:

RETAILERS ENDORSE CONTROL OF CREDIT—NRDGA GROUP ALSO URGES STUDY OF CAR, OTHER FINANCING COMPARED WITH STORES—ALSO FAVORS ADDED CURBS—ASKS RESTRICTIONS ON PRICES, WAGES, MANPOWER, OUTPUT WHEN NECESSARY

Consumer credit controls were endorsed yesterday by the emergency government controls committee of the National Retail Dry Goods Association.

Lack of progress on a national civilian defense program was also regarded as a matter for serious alarm. Until the Government takes a firm stand, State and local efforts will be ineffectual, it was held.

Predominant among recommendations made by the committee was a request that Government agencies make another survey of outstanding consumer credit to determine percentages now extended by retail stores,

compared with automobile financing, personal loans, and other forms of credit.

POSITION ON CONTROLS

The committee further recommended that price, wage, production, and manpower controls be imposed if and when necessary. The NRDGA represents about 7,500 department and specialty stores in the country.

"Under this type of regulation," the committee said, "prices would be absolutely controlled in dollars on all items that were to be kept in line at retail levels. And in instances where the price-control authority permitted increased prices at preretail levels, the individual retailer's mark-up would be consistent."

The retail group felt that present mobilization is not yet large enough to make an appreciable dent on civilian supplies. Credit controls, it was added, should be confined to installment selling, exclusive of items selling below \$100, much in the same manner as provided under Regulation W.

Returning to a discussion of prices, it was recommended that they extend to all levels affecting the goods so controlled including raw materials, agricultural commodities, wages, and other costs. It was also emphasized that merchandise in lower-price ranges should be maintained.

Mr. BUCHANAN. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, those opposed to this legislation argue that there is no need for authority to curb futures speculation by means of adequate margin requirements because there was no such authority during World War II. The answer to that is perfectly obvious. Price ceilings—rigid controls—which were in effect during the war stopped futures trading in many commodities and so reduced the volume in the others that there was no threat to our economic stability.

In proposing controls in this legislation during the present emergency, it is hoped that we may be able to avoid the far-reaching radical steps, the obnoxious steps of rationing and price ceilings. If traders are willing to accept moderate and reasonable curbs, such as this proposed margin regulation does, and nothing more than that, we may reasonably hope that in order to avoid more rigid restrictions it will not be necessary to move into that area.

I would just like to point out, without the opportunity to have a chart here, what has happened to seven commodities so far as volume of trading is concerned in the 10-year period before the war, the 4-year period during the war, the period of 4 years after the war, and the estimate for 1950 and 1951, based upon the June 1950 trading figures.

The seven commodities I have selected are: wheat, soy beans, cotton, wool tops, eggs, cottonseed oil, and lard.

Mr. RANKIN. Why did the gentleman leave out corn and put wool tops in?

Mr. BUCHANAN. I merely selected these items because of the situation in volume of futures trading in these commodities.

Mr. RANKIN. The gentleman left out corn. Outside of cotton that is the greatest commodity we produce, the most abundant.

Comparison of volume of futures trading in principal commodities before, during, and after World War II, and estimate of volume for the year 1950-51 based on actual volume in July 1950

	Before 10-year average 1932-42 (prewar)	During 4-year average 1942-46 (war)	After 4-year average 1946-50 (postwar)	Estimate for year 1950-51 (current)
Wheat.....million bushels..	8,162.7	2,311.0	4,202.0	6,109.2
Soybeans.....do.....	292.7	4.0	1,289.0	4,425.6
Cotton.....thousand bales..	52,938.0	45,018.0	84,223.0	82,296.0
Wool tops.....million pounds..	54.1	37.6	37.9	867.6
Eggs.....car lots.....	43,254.0	83,794.0	102,118.0	118,908.0
Cottonseed oil.....million pounds..	1,939.4	13.0	2,301.8	8,350.8
Lard.....do.....	1,371.1	6.7	2,018.0	5,680.8

Mr. BUCHANAN. As far as wheat is concerned, in terms of millions of bushels, the average volume of futures trading amounted to about eight thousand million bushels. During the war that dropped to some two thousand million, and in the postwar period to four thousand million bushels, and the current period is running at about six thousand million bushels.

Soybeans is a very illustrative case. Before the war it was down around 292,700,000 bushels; during the war that dropped down to 4,000,000 bushels, and in the postwar period to about 1,289,000,000 bushels, and today about 4,425,600,000 bushels of soybeans.

Now, take eggs. The average carload lots in the period before the war amounted to 43,254 carload lots, during the war to 83,794 carload lots, in the postwar period 102,118 carload lots, and in the present period about 118,903 carload lots.

Now, what do these figures indicate? They indicate there is coming into the commodity market a new group of speculators and not the legitimate traders. But here is an opportunity, as many see it, to speculate in this period on the present margin basis, because the margin requirements average between 8 and 16 percent; in other words, for an average of about \$10,000 you can buy \$100,000 worth of commodities on the futures trading market. Therefore, you are inviting speculation, and those who have analyzed the futures trading on the commodity exchanges say that 90 percent of the current trading is purely speculative.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

Mr. ARENDS. Mr. Chairman, reserving the right to object, I am not going to object to this request for further time, but I am going to object to any further requests for extension of time.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BUCHANAN. As I said, 90 percent of the present trading volume has been regarded and analyzed as speculative. The Wall Street Journal takes the position that any reduction in the number of buyers and sellers will hinder the exchanges in the performance of their

useful functions. Actually, in the case of some commodities, these exchanges are not now performing any useful function, as I pointed out in the case of soybeans. So far as hedging is concerned, they offer no legitimate use or value for hedging purposes, and they have made that market useless for hedging purposes.

Many traders and brokers are alarmed at the influx of new speculators into the commodity exchanges. We know what happened during the latter years of twenties, when the securities crash in 1929 was brought on purely by trading in the securities market. We know that that helped to destroy security values during the 1929-33 period. The same thing can happen here as far as speculation in the commodity exchanges is concerned. In order to try to avoid that same kind of a demise, the President has asked for powers here to control margin requirements; that is, to be able to impose certain margin requirements and to raise them as to a particular commodity that seemingly indicates a very extreme speculative position. This is very necessary to block speculation from getting out of hand.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Did the President have that power during World War II?

Mr. BUCHANAN. He did not. It is needed today because the nature of our economy has changed. Ten years ago the situation was different than it is today. The figures that I have outlined, for periods before the war, during the war, and after the war, show one condition, but today we have a very different type of condition in our economy.

Mr. COOLEY. The gentleman's argument is entirely in support of the peacetime exercise of this authority, just as the Secretary himself stated.

Mr. BUCHANAN. The figures I have read to this body indicate that these are normal, average transaction figures today. These are above what the normal prewar, during-the-war, and postwar period figures were. They are far in excess of what they are normally.

It is foolish to talk of voluntary control of speculation. Of course the brokers of this country feel that the more speculation we have the better, because it means increased business for them.

The powers asked for in this bill, credit controls and margin requirements on the commodity exchanges, are the two

vital steps whereby we can control the present situation at the top rather than at the lower level. We want to avoid as far as possible rationing and controls at the consumer levels, because the experience we had in World War II shows that these were none too successful. Anyone who would admit that they were even 50 percent successful would be very kind. The same situation will exist again. In order to avoid that, the President is asking for the powers that he deems necessary to control the situation. This body wants to give him powers he did not ask for as far as wage and price controls and rationing are concerned.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Iowa.

Mr. JENSEN. The gentleman says it is necessary to control the commodities he has mentioned.

Mr. BUCHANAN. The margin requirements.

Mr. JENSEN. Yes. Is it not a fact that the test of the gentleman's argument is this, that none of these commodities the gentleman has mentioned has risen in price to any great degree?

Mr. BUCHANAN. The same kind of comparison will indicate that in these particular commodities there has been unwarranted price rises in the wholesale commodity markets. We know that an increase in wholesale commodity prices precedes an increase in the price of commodities on the consumer level. In between, of course, we have this question of profiteering and taking advantage of the consumer. Our purpose is to protect the consumers.

Mr. JENSEN. But prices are still holding at parity, approximately.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the Cooley amendment and all amendments thereto close in 10 minutes.

Mr. RANKIN. Mr. Chairman, I will have to object to that.

Mr. SPENCE. Mr. Chairman, I move that all debate on the Cooley amendment and all amendments thereto close in 10 minutes.

The motion was agreed to.

(By unanimous consent, the time allotted to Mr. BROWN of Georgia was granted to Mr. HAYS of Arkansas.)

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MONRONEY].

(By unanimous consent, the time allotted to Messrs. SPENCE, PATMAN, and MULDER was given to Mr. MONRONEY.)

Mr. MONRONEY. Mr. Chairman, we are going to make the Congress look a little bit funny if after having regulated every single small business in the country and all labor in the country with over-all price controls, the rigidity of which will probably have all the force and effect of the recent OPA laws, we then exempt the one thing that the country believes is the spark plug of inflation—commodity speculation. I do not think you have to be halfway smart to realize that when war is imminent you are going to find violent fluctuations in

the commodity markets, and that those fluctuations inevitably are going to carry your prices to new high levels.

We are going to be able to have a roll-call vote on this amendment. If you are willing to stand up and be counted that you are for speculation in the foodstuffs of America, which is raising the cost of living to the people of this country, then you have a chance to go on record in favor of this amendment. But if you want to make the controls, if they are necessary to be applied, go clear across the board on the big people as well as on the little people, then vote to strike down this amendment.

I am surprised to see the members of the Committee on Agriculture defending speculation in commodities which is taking the prices up and up to new high levels.

I have talked to the farmers in Oklahoma. They realize that it is not the farmers who make money on this speculation, but the men who go into the market and drive these prices up.

What does this bill do? It does not do what the debate here says it will do. It merely places in the President power to regulate margins when he determines that the nature and extent of speculative trading threatens to cause unreasonable fluctuations or unwarranted changes in the price of any commodity.

Is that too much power to give the President in this emergency?

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

(By unanimous consent, the time allotted to Mr. COLE of Kansas, Mr. BATES of Massachusetts, and Mr. MORTON was granted to Mr. HOPE.)

Mr. HOPE. Mr. Chairman, the gentleman from Oklahoma [Mr. MONROE], for whom I have a high regard, has just stated that we would look foolish if we regulated other businesses and took no steps to regulate the commodity exchanges.

Of course, the gentleman from Oklahoma as well as every other Member of this House knows that the commodity exchanges are now strictly regulated by law. In 1922 Congress enacted the Grain Futures Act and in 1936 this act was amended and revised by what is known as the Commodity Exchange Act which is now in effect. Under this act which is administered by the Secretary of Agriculture through the Commodity Exchange Authority there is a very strict and effective supervision of all transactions on the commodity exchange. This act has been well administered. It has done away with abuses which prevailed in the commodity exchanges before its enactment and has made those exchanges what they were intended to be and should be, namely, an agency through which those who are engaged in the marketing and processing of agricultural commodities can effectively insure themselves against price declines and advances. The effect of this has been to stabilize commodity prices, reduce the profit margins of dealers and processors and insure producers a ready market for

their products at all times. Anyone who doubts the effectiveness of the exchanges in bringing about a more effective marketing system needs only to compare our marketing methods and practices as they exist today with those which were in existence 50 or 60 years ago.

The Secretary of Agriculture has never had the authority to regulate or fix margins on the commodity exchanges. These margins, of course, are imposed for the purpose of protecting brokers and dealers on the exchange and making sure that those who make contracts of purchase or sale will carry them out. The exchanges themselves frequently regulate and change the margins from time to time based upon what may be necessary in order to fully protect those who operate on the exchanges.

From time to time the Secretary of Agriculture has suggested further amendments to the Commodity Exchange Act and has made an effort to secure authority to limit margins. Something over a year ago the Secretary of Agriculture sent to the House and Senate through official channels a bill to amend the Commodity Exchange Act, one of the provisions of which was the authority to limit margins. This bill was introduced by the gentleman from North Carolina [Mr. COOLEY], chairman of the House Committee on Agriculture. Since its introduction the committee has given this measure considerable study and discussion including visits to the commodity exchanges in New York, Chicago, Kansas City, and New Orleans. The committee at this time has not finished its study of the matter. It is still under consideration however.

The inclusion of section 411 in the Spence bill, H. R. 9176, is not justified on the basis of any need for this authority but simply represents an attempt on the part of the Secretary of Agriculture and the Commodity Exchange Authority to secure under the guise of emergency legislation authority which the Congress has not yet seen fit to give them. I am sure that whenever the Commodity Exchange Authority makes out an effective case showing the need for authority to deal with margins the Committee on Agriculture will report legislation for that purpose.

There is nothing in the situation at this time which would justify granting the authority requested. Those who favor the proposal point out that prices of some commodities which are dealt in on the exchanges have risen during the past few weeks. They point out that in some cases there has been an increase in the volume of trading. This morning the gentleman from Pennsylvania [Mr. BUCHANAN] as I understood him, divided transactions in the exchanges into three different periods: those for a period preceding World War II, those during World War II, and those since that time. He pointed out that there has been a considerable increase in the number and volume of transactions on the exchanges since the World War II period. This is to be expected because agricultural production in this country has increased by

more than 35 percent since the beginning of World War II. And in order to handle this increased production, all of which has to go to market at one time or another, it is natural that there should be a substantial increase in the business of the exchanges.

For this reason the arguments advanced by the gentleman from Pennsylvania have no relevance from the standpoint of showing any need for additional powers to the commodity exchange authority at this time.

On August 3 when this matter was under consideration the gentleman from Ohio [Mr. POLK] placed in the RECORD a statement from Mr. J. M. Mehl, Administrator of the Commodity Exchange Authority. This statement was offered as showing the need for authority to limit margins, it being contended that there had been an increase in activity on the exchanges since the Korean war began and that this had resulted in increased prices. It is true that since the Korean war broke out there have been some increases in prices of the commodities which are traded upon in the exchanges. It is true also that there have been much greater increases in the prices of commodities which are not traded upon in the exchanges such as lumber and many of the metals. It is significant also that in many cases the commodities upon which there has been the greatest increase in trading show the smallest price advances since June 24. For instance it is stated in this document that from June 26 to July 22 there was a 78-percent increase in the volume of futures trading in wheat over the preceding 4-week period. It is noteworthy however that during this time the increase in the price of wheat was only 6.6 percent.

During the same period there was an increase of 9.3 percent in the volume of futures trading in cotton on the New York Cotton Exchange and a decrease of 4.9 percent in the amount of trading on the New Orleans Exchange. During the same period however the price of cotton advanced 19.1 percent. In other words there was an increase of 19 percent in the price of cotton during the period which was accompanied by a very small increase in the volume of activity on the exchange, whereas with respect to wheat just the reverse was true.

In both cases the price changes are susceptible of explanation for entirely different reasons than trading on the exchanges. For instance, the increase in the price of cotton was due very largely, if not entirely, to the announcement that the acreage of cotton planted this year was the smallest for many years. The increase in the volume of trading on wheat was due to the fact that it is this period during and following harvest when there is usually the largest amount of trading in cash wheat due to purchases by mills and exporters. That has been particularly true this year. Naturally since all of these purchases must be hedged this results in an increase in the volume of trading.

If time permitted one could deal with all the commodities mentioned in this statement by Mr. Mehl and clearly show that there was little, if any, relationship between the volume of trading and the increase or decrease of market prices.

There are those who say that they recognize the value of the commodity exchanges, but they want to limit transactions to legitimate hedging. That, Mr. Chairman, is something which it is impossible to do without running the risk of seriously affecting the functioning of the exchanges. The reason for this is that legitimate hedgers must depend upon speculators if they are to hedge effectively.

Take the case of wheat. During the present marketing season millers and exporters are buying wheat. They hedge by selling wheat. But the only persons with whom they can contract are the speculators because the number of legitimate hedgers who might be hedging sales at this time of year is very small. If I as a miller buy a million bushels of wheat, then if I am to hedge that purchase by selling a million bushels, there must be a sufficient number of speculators on the market to take up my hedge at once. Otherwise I am not able to effectively insure myself against price declines.

There is no man in this country who is smart enough to know what the effect of increasing margins will be on the commodity exchanges. There is no one who is smart enough to know just what volume of trade should be allowed to insure the effectiveness of the exchanges as an agency to insure prices. I have great respect for the Secretary of Agriculture and for the Administrator of the Commodity Exchange Authority. But I question their ability to exercise the authority which is being asked in this legislation without seriously impairing the functioning of the exchanges.

The exchanges should be regulated so as to prevent manipulation of prices and other abuses which prevailed in the past. They are now being effectively regulated under existing law. I do not say that the law is perfect or that it should not be amended upon further consideration. But I do say that no case has been made out at this time for giving the President, and through him the Secretary of Agriculture and the Administrator of the Commodity Exchange Authority, this great power. Mr. Chairman, I hope the amendment will prevail.

The Chair recognizes the gentleman from Wisconsin [Mr. BIEMILLER].

Mr. BIEMILLER. Mr. Chairman, if prices are our worry, and all of you know as well as I do that they are, let us recognize that they can be kept from skyrocketing only by taking some of the powder out of the fuse. The way to do that is to give the President the power to control the margins of the profiteering speculators, who are forcing up prices.

The section under discussion sets up very explicit Presidential powers and I

see nothing in them to evoke any false alarms. Let me quote:

Whenever the President determines that the nature or extent of speculative trading on boards of trade causes or threatens to cause sudden or unreasonable fluctuations or unwarranted changes in the price of any commodity, he may prescribe rules and regulations governing the margin to be required.

It is as simple and as direct as that.

Price inflation has already begun, begun under the impact of a horde of shoestring operators entering a market with the smallest of margins and perverting its purpose from ordinary free exchange of goods to the wildest kind of speculation.

In a check by the Department of Agriculture on July 21, 90 to 95 percent of all trading done on commodity exchanges was speculation. Of all the soybeans traded on that day, 96 percent of purchases were on speculation and 90 percent of the sales on speculation. You can see how little regular exchange of goods was done that day.

And why this flood of speculation? Because you can trade in soybeans on just 6 percent of margin under the present regulations of the Chicago Board of Trade. Penny-ante profiteers who never touched the soybean trade in their lives before are risking their pennies to make dollars in the soybean market—and eventually from the pockets of consumers. Unless we leave intact this commodity-control provision, the public will soon get added evidence of the price boosts forced by these profiteers in the necessities of life.

Now the soybean market is not a great exception, it is simply a notable example of what is taking place in the other commodity markets without the restraining influence of controls. Wheat, as basic a commodity as our economy knows, was also checked on July 21. Its volume of trading was 9,000,000 bushels in 1 day—no one could call that ordinary free exchange of wheat. The Department of Agriculture breakdown revealed that more than 80 percent of both sales and purchases were for purely speculative purposes.

What do some of the well-established traders think of this situation? They think present margins are inadequate. Many of them ignore the minimum margins of 6 to 15 percent on commodities as being unwise and encouraging speculation. They demand—and get—20 to 25 percent margins, to protect themselves and the public. Yes; and ultimately the speculators themselves.

Let us remember this: Today there is no Government regulation of gambling on the commodity exchanges. We are asking to have Government regulation imposed so the President may have that power.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The Chair recognizes the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the impassioned statement

made by my colleague from Wisconsin [Mr. BIEMILLER] shows that he does not know anything about the commodity market or the merchandising of farm products.

The commodity futures market is a public market regulated by the Commodity Exchange Authority, which is an agency within the Department of Agriculture. This agency, under complete jurisdiction of the Secretary of Agriculture, has full authority to police every transaction and every trade in commodity future contracts. The Secretary also has the authority to examine every account involving future trading in commodities. If excessive speculation takes place, the Secretary, through the CEA can do something about it, if he so desires. The gentleman from Wisconsin, who claims to be well posted on every subject, should find out as to the workings of the Department of Agriculture.

If the Committee follows the advice of the gentleman from Wisconsin [Mr. BIEMILLER] and the gentleman from Oklahoma [Mr. MONRONEY] the control over commodity exchanges will be turned over to the large speculators of the country, and they will dominate, at their pleasure, the prices that farmers will receive for their products. I know something about the magnitude of the operations of the big speculators from the investigation that was conducted by a select committee in the Eightieth Congress. Believe me, the big boys, and the amount of the margins make no difference to them, are out to make money—from either the long or short side. With their large holdings, they drive the market up or down to suit their fancy, and the farmers and the public are left holding the bag. I regret that time will not permit me to go into greater detail on this issue.

At some time in the future, I will fully discuss the legitimate use of the commodity market for insurance or hedging purposes. The Committee on Agriculture of the House has jurisdiction over legislation involving commodity markets. This committee, with its broad marketing experience should pass on the question of margins and speculative trading, instead of disposing of the matter in a few minutes time in the bill before the House. The Cooley amendment should be adopted, and I urge my colleagues to vote for it.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has expired.

The Chair recognizes the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, I merely rise to support the amendment offered by the gentleman from North Carolina [Mr. COOLEY].

The exchanges are the one assurance the farmer has that he will be able to get information at all times as to the prices of his crops.

In 1927 I investigated the cotton exchange for the Senate committee. They swore me in as a member to cross-examine the head of a certain big cotton concern whose offense was not specula-

tion. It was manipulation. The amendment offered by the gentleman from North Carolina [Mr. COOLEY] should be adopted for the protection of the American farmer, who produces the materials that are bought and sold on the exchange.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The CHAIRMAN. The gentleman from Georgia [Mr. DAVIS] is recognized for one-half minute.

Mr. DAVIS of Georgia. Mr. Chairman, I think it is a matter of much regret that on account of debate being limited, Members of this House must run through the well of this house in 30 seconds like a cow being run through a dipping vat. In this limited time I can only say that I voted for the amendment offered by the gentleman from North Carolina last week, and I shall vote for it again today.

The CHAIRMAN. The gentleman from Arkansas [Mr. HAYS] is recognized.

Mr. HAYS of Arkansas. Mr. Chairman, I was brought up to fear certain commodity exchange practices, but largely because the effect of the practices was to depress prices. In this instance I am convinced that we are in danger of oversimplifying the problem. It is not an inflation influence requiring treatment in this bill. The Secretary of Agriculture has all the powers he needs to deal with such influences; he has the huge supply of cotton and other commodities in storage that may be sold and he has other powers that may be used.

There is, however, a policing element in the situation; and for the same reason that I voted against the motion to include an excess profits tax which I favor I shall vote for the motion of the gentleman from North Carolina [Mr. COOLEY], in this instance. It does not belong in this bill. We cannot tie all reforms up in one package. If there are immoral, and undesirable practices, gambling if you please, let those matters be considered appropriately in separate bills. Let us not do it by a bungling effort of this type—giving the executive powers that might be the basis for upsetting the most delicate mechanism in our whole economy.

The CHAIRMAN. The time of the gentleman from Arkansas has expired; all time has expired.

The question is on the amendment offered by the gentleman from North Carolina [Mr. COOLEY].

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 140, noes 103.

So the amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 47, line 24, add a new subsection as follows:

"(c) The term 'national defense' means the operations and activities of the Armed Forces, the Atomic Energy Commission, or any other Government department or agency directly or indirectly and substantially concerned with the national defense, or operations or activities in connection with the Mutual Defense Assistance Act of 1949, as amended."

Mr. WOLCOTT. Mr. Chairman, my amendment speaks for itself and would apply the same definition of "national defense" to all of the provisions of the act as is applied to the committee amendment which was adopted yesterday, known as Committee Print No. 2, having to do with prices and wages. Of course, it is the consistent thing to do.

If you have Committee Print No. 2 before you, you will find the language on page 21 which was adopted with that amendment as the definition of "national defense" wherever it appeared in that committee print which, as I say, had to do with the control of prices and wages.

The Senate Banking and Currency Committee when it reported out its bill day before yesterday included this language and the language which was put in the House Banking and Currency Committee Print No. 2 was the language adopted by the Banking and Currency Committee of the Senate.

It would seem to me, just to be consistent, we should define "national defense" wherever it appears in the act as we have defined it in respect to control of prices, salaries, and wages. Yesterday in the Committee on Banking and Currency when the amendment was offered, we were in somewhat of a hurry to get back over here on the floor. It was one of those occasions when everything was being knocked down in the interests of time and not in the interests of good legislation or clarity in respect to intent. If we do not adopt this amendment, it seems to me, Mr. Chairman, that we will have created a situation where the intent of Congress in respect to the term "national defense" wherever it appears other than in the title having to do with wages, salaries, and prices might be given a different interpretation.

Now, it is not the intent of Congress or it should not be the intent of Congress that the term "national defense" would mean anything different in one section of the bill than it does in the other sections of the bill. It seems to me that by defining "national defense" as it applies generally to the bill, we remove any question of doubt; that we want the bill to be confined to the defense effort. And, it surely is in the interest of clear thinking and a clear expression of legislative intent if the amendment is adopted. I call attention again to the fact that it was written into the bill yesterday, which we adopted, and although it might seem redundant to do it again, the amendment which is offered on page 47 of the bill would apply to the whole bill and not only to the title on wages and prices alone.

Mr. Chairman, I hope that the Committee will adopt the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 96, noes 89.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WOLCOTT and Mr. PATMAN.

The Committee again divided, and the tellers reported that there were—ayes 133, noes 139.

So the amendment was rejected.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: On page 52, line 12, after the words "omission to act", insert "pursuant to this act."

On line 20, after the word "general", add the words "and the Chairman of the Federal Trade Commission."

On page 53, line 2, after the word "general", add the words "and the Chairman of the Federal Trade Commission."

On line 3, after the word "thereunder", strike out the period and add the following: "and that if any objection is made by the Attorney General or by the Chairman of the Federal Trade Commission within that period, the President or such person as he may designate shall approve or disapprove the request."

On page 53, after line 7, add a new subsection as follows:

"(d) the Attorney General is directed to make or request the Federal Trade Commission to make for him surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this act. The Attorney General shall submit to the Congress and to the President within 90 days after the approval of this act and at such times thereafter as he deems desirable reports setting forth the results of such surveys and including such recommendations as he may deem desirable."

Mr. PATMAN. Mr. Chairman, I am authorized to state for the committee that we accept the amendment. It is an identical amendment to one which was adopted by the Committee previously.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

As I understand it, this is substantially if not identically the amendment which was offered successfully by the gentleman from New York [Mr. Celler] last week.

Mr. MULTER. It contains the identical language of that amendment, and it is the same amendment which was discussed in committee and which the committee said it would accept. It is identical to the amendment offered by the gentleman from New York [Mr. Celler] last week which was adopted.

Mr. WOLCOTT. Mr. Chairman, we have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MULTER].

The amendment was agreed to.

Mr. HAYS of Arkansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAYS of Arkansas: On page 49, line 5, substitute a comma for the period and add the following: "and it is assured that no adequate and authoritative data are available from any Federal or other responsible agency."

Mr. HAYS of Arkansas. Mr. Chairman, the purpose of this amendment is

to make it clear that in conferring authority upon the President to subpoena papers or to secure documents and records, he shall not proceed if there is any existing available data in Federal agencies.

I have taken this up with both sides of the aisle, and I believe it will be found acceptable.

Mr. SPENCE. Mr. Chairman, I think I can say that we on this side of the committee have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. HAYS].

The amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 38, line 2, after the words "real estate", insert the word "construction."

On page 38, line 22, after the words "real estate", insert the word "construction."

On page 39, line 3, after the word "any", insert "consumer or real estate construction."

On page 39, line 5, after the word "any", insert "such"; on line 8, after the word "any", insert "such"; on line 11, after the word "any", insert "such";

On page 41, line 23, strike out all of paragraph (2) and insert in lieu thereof the following:

"(1) 'Real estate construction credit' means any credit, hereafter extended, which (i) is wholly or partly secured by, (ii) is for the purpose of purchasing or carrying, (iii) is for the purpose of financing, or (iv) involves a right to acquire or use, new construction on real property or real property on which there is new construction. As used in this paragraph the term 'new construction' means any structure, or any major addition or major improvement to a structure, which has not been begun before 12 o'clock meridian August 3, 1950. As used in this paragraph the term 'real property' includes leasehold and other interests therein. Notwithstanding the foregoing provisions of this paragraph, the term 'real estate construction credit' shall not include any loan or loans made, insured, or guaranteed by any department, independent establishment or agency in the executive branch of the United States, or by any wholly owned Government corporation, or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended."

The CHAIRMAN. The gentleman from Michigan is recognized in support of his amendment.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BROWN of Georgia. It is my understanding the gentleman's amendment restricts this section to new construction.

Mr. WOLCOTT. That is right. It is along the line that we talked the other day. The language on page 39 in subsection (b) of this amendment would confine the sanctions of the bill to consumer or real-estate construction credit. Then, the other amendments on that page are to tie it in with it and confine it to that kind of credit. The principal difference is we substitute the language that the Senate agreed on in commit-

tee, for the definition of real-estate credit on page 44 of the House amendment.

This will accomplish this purpose: It will assure control of real-estate credit on new construction. I might say very definitely to those who might subsequently charge that this is the real-estate lobby amendment that the real-estate lobby offered amendments, and this is not one of them. I will say that what we do under this language is to control real-estate credit in the same manner as we control consumer credit. The President at the present time, as head of the executive department, has authority to curtail the flow of real-estate credit for all purposes. As recently as 3 months ago the interest rates on real-estate loans guaranteed by the FHA were reduced from $4\frac{1}{2}$ to $4\frac{1}{4}$ percent. It seems to me that before we give anyone of the authority to stop FHA insurance and Veterans' Administration home construction insurance altogether, we should at least encourage the use of the powers which are already in those acts to curtail construction under them.

It seems to me that before we give anyone the authority to destroy the programs which have been set up that they use the authority they now have to cut down on credit, to slow down construction if it is necessary in the interest of national defense.

Under the language of the bill as it was reported out, language for which this amendment is a substitute, the President would be given control over all real-estate operations in which a veteran has his loan insured; and I daresay, without fear of successful contradiction, that perhaps 90 percent of the homes which are being built for and purchased by veterans today are built under the veterans' bill-of-rights program, and I do not think it should be disturbed; I do not think it should be disturbed at least to the extent of granting anyone the authority to completely negative that program. Veteran's organizations have undoubtedly contacted you as they have me and have expressed the fear of what might happen to the veterans' home-building program if this is not done.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the real-estate lobby has been working furiously for weeks, and especially the last few days, for this type of amendment. I do not say that it is the amendment, I certainly would not impugn the motives of my good friend from Michigan, but it is this type of amendment that they have been working furiously for, for weeks, and especially the last few days.

This exempts the big man; this is the big man's amendment. Why should we impose controls on everybody and destroy character as collateral in buying a second-hand car or a new car and yet exempt the big fellow, the real-estate lobby? It certainly does not make sense to me. A vote for this amendment is a vote for increased rents; how much, I do not know, 25 percent, per-

haps 50 percent, in some cases maybe 100 percent.

When you come to restrict credit only on new construction which will probably be half a million houses during the next year, if you restrict new construction you immediately and automatically increase the price of existing construction, 30,000,000 homes, whenever you increase the price of existing construction you increase the price of rents. This is not new; during the Second World War we first had controls on new automobiles and it did not apply to old automobiles, on the same theory that the gentleman from Michigan is advocating for this amendment, that in new cars there is only new material; in new houses there is only new materials; why make it apply to existing houses and not existing cars? So we exempted the old cars at first and we had the situation where the old cars were bringing several hundred dollars more than the new cars, and we had to change that. This will take the heart out of this bill; it will be in favor of the big man and against the interests of the little man. If we were to adopt this amendment, in order to be consistent we ought to go back and say that it applies only to new cars, does not apply to old cars; that would follow, of course. Cars are bought by little fellows as well as big ones; there is where your character comes in as good collateral. This bill destroys character as collateral in the interest of the war effort and we submit to it. Sometimes it is necessary for a person to own an automobile in order to have a job.

He cannot have a job unless he has a car. If he goes to a dealer, after this bill becomes law and regulation W is reestablished the dealer will say: "You will have to put up $33\frac{1}{3}$ percent in cash." The poor man who has character says, "My credit has always been good. I have always paid my debts, I have never defaulted on a debt. I want to buy that car. I need it to get this job."

The dealer would have to say: "No; you cannot do that. Character is no longer good collateral in this country. You have got to put the actual money on the barrel head."

Now, we are requiring that man to do that in this bill, yet we come in here and exempt the big fellows, the big men, the fellows who will profit by this. It just does not make sense, and I hope that the amendment is overwhelmingly defeated.

Mr. BATES of Massachusetts. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, may I direct an inquiry to the gentleman from Pennsylvania [Mr. BUCHANAN]. I have a telegram here from the Gloucester Fishing Vessel Owners' Association which states in part:

There is to be a certain base period we wish to call to your attention the fact that there was a sea-food workers' strike in Gloucester this year during May, June, and part of July, and as a result the ex-vessel price of fish was considerably lower than normal. Very important that the base pe-

ried be set at the price either before or after the strike. Please cooperate to take care of this situation because a May, June, or July base period would be ruinous.

During that period, Mr. Chairman, obviously with the fishing industry tied up by this sea-food strike, much of the fish was wasted and there was a depressed price for that which was sold.

I note in committee print No. 2, page 5, lines 18 to 24, it is stated in reference to the establishment of prices:

or if those prevailing during this period were not generally representative because of abnormal or seasonal market conditions or other cause, then those prevailing on the nearest date on which they are generally representative.

Under these conditions are there adequate provisions to protect these fishermen and to give them an equitable price?

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. I may say in reply to the gentleman that the language in committee print No. 2, page 5, beginning line 18, so far as the base period is concerned, provides for just such a situation as the gentleman has described in that telegram. The language is as follows:

or if those prevailing during this period were not generally representative because of abnormal or seasonal market conditions or other cause, then those prevailing on the nearest date on which, in the judgment of the President, they are generally representative.

So I believe the part of the section there reading "or other cause" would adequately take care of the situation the gentleman has presented.

Mr. BATES of Massachusetts. I thank the gentleman very much for the clarification.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I am wondering if a strike produces depressed prices or a scarcity. I come from New England also. I am wondering if our consumers and home owners, the wife who went out and bought fish, does pay a lower price than she would have to pay if a strike had been in progress, not a strike but if the disagreement had not been in progress.

Mr. BATES of Massachusetts. May I say to the distinguished majority leader that I am referring to the boat owners. They received an extremely low price. There were few cutters to cut the fish, and much of the fish was rotting on the boats, and as a result they did not get an adequate price. The consumers throughout the country, I have no doubt, probably had to pay high prices.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MONRONEY. Mr. Chairman, this is another move to make this bill just as lopsided as is possible to make it, make it lopsided in complete and total exemption, as far as the Congress can vote, in favor of those who control the credit facilities and, therefore, have unlimited freedom to expand those credit facilities and create inflation. You have exempted commodity speculation and now you want to exempt real estate from any kind of reasonable credit control which the President, through his agencies, might find necessary to put on to stop run-away real-estate speculation. It is no secret that a real-estate speculative market has a tremendous part in creating inflation.

The gentleman from Michigan has apparently determined that credit controls on new construction are all right. Well, if credit controls on new construction are all right for the man who does not have a home, does it not follow that the man who has a home or the real-estate developer that has 100 homes already built should be under the same kind of credit restrictions?

Can you say that a house that has been standing for 6 months or a year or 2 or 3 years is not in competition with new housing?

You know that the price of old housing will skyrocket. If you can sell that old house on down payments of 5 percent or 10 percent, it is going to skyrocket, if a man has to pay 30 percent or 40 percent down to buy a new house.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. This section does not attempt to control the price you can get.

Mr. MONRONEY. I know.

Mr. BROWN of Georgia. It only controls the down payment.

Mr. MONRONEY. I agree with the gentleman.

Mr. BROWN of Georgia. Does the gentleman think that a man who owned a home for 40 years should have the Government of this country say on what terms he should sell it?

Mr. MONRONEY. That is the point I was trying to make, that we have not and probably will not attempt any ceilings on the price of real estate. But, we do know that uncontrolled credit terms on real estate has a speculative influence that can carry the price of existing housing upward. If you try to hold down the construction of new homes by credit controls, which the gentleman from Michigan agrees to, then what is going to happen to your old homes? Exactly what happens when you try to hold down the terms on new cars and leave used cars uncontrolled on the credit side, because credit has as much to do with selling real estate or cars or appliances as the price itself.

I think we would be making the worst possible mistake to say that a house 1 year old can be sold for as low as 5 percent down, while a brand-new house has got to carry 30 percent or 20 percent down payment. You are going to get a lopsided bill, you are going to encourage skyrocketing of the prices on old housing. You are going to take out of the rental supply the old housing that exists, because if we have to have rent controls, then the price of this old housing will skyrocket, and if it can be sold for nothing down or 5 percent down, you know that the price of such housing is going up.

So it is going to disappear from the rental market, and go into that area of skyrocketing prices.

Nobody will intend to propose a ceiling on real estate prices. But, credit controls to me are just as important on used real estate as they are on new real estate. If credit control is sound to put on the little man needing a car, driving to a defense plant, to put it on his electric refrigerator or anything else, then I certainly do not think it is any violation of sound policy to make it apply to new and used real estate as well.

Mr. GUILL. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Texas.

Mr. GUILL. Does the gentleman realize who controls the credit on the sale of a house?

Mr. MONRONEY. Certainly. There is no credit control at the present time.

Mr. GUILL. Yes; there is, sir. I want to explain this, that the lending agency will evaluate that housing; they are going to lend only so much that will assure them a return of the money. That will also control the price of it, sir.

Mr. MONRONEY. The gentleman is wrong, because the minute you have rigid credit controls on new housing you have inflation in the old housing, and then you will have an inflated evaluation. Loans will be based on this inflated value. It happened the last time; it will happen this time.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. If this amendment is adopted, will rents not increase?

Mr. MONRONEY. Indeed, it will increase the demand for rental controls immediately if this amendment is adopted. This amendment will encourage the elimination of the rental housing supply because it would permit unsound credit extension for the sale of any used house.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. Davis].

(Mr. REDDEN asked and was given permission to yield the time allotted to him to Mr. DAVIS of Georgia.)

Mr. DAVIS of Georgia. Mr. Chairman, the provision here to which this amendment relates came before this House originally as part of the original committee bill, which provided only for allocations and priorities for the purpose of enabling the President to channel strategic materials into the war effort. We all remember that there was no provision in the original committee bill which dealt with price control or wage control. Price ceilings and wage control came in after the committee bill came to the floor of the House. Now the opponents of this amendment today are arguing on the theory that this real-estate credit is a part of the price-control angle of this bill, which it is not. It did not come in as a part of that feature of the bill at all. It came in as a part of the priorities and allocations bill.

Mr. Chairman, I am in favor of amending the present control provisions of this bill to eliminate the control of real-estate credit except new construction credit. If I should want to sell my house, I want to be able to do so without having to let some carpetbagging bureaucrat set the price. If I should want to buy another house, I want to be able to buy it without letting some carpetbagging bureaucrat set the price.

You give them authority in this bill to control all real-estate credit, and they will use this power to set the price and you will not be able to buy or sell unless you get an O. K. on the price as well as the terms. That is what can be done under this bill, if it is enacted without this amendment.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. BROWN of Georgia. How in the world can they change the terms relating to all the buildings that have been constructed under the FHA law? You cannot afford to do that. And you cannot afford to do another thing. We already have a law setting up how much the down payment shall be under FHA loans. It looks to me as if this bill would disturb all that central field of housing, unless this amendment passes.

Mr. DAVIS of Georgia. The gentleman has correctly stated the situation.

Mr. REDDEN. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from North Carolina.

Mr. REDDEN. It has been argued here that it is not necessary to control in the price of real estate the terms under which it is sold. I assume, therefore, that the theory is that the terms might be too liberal and, therefore, permit the little man to buy too many pieces of property. Those who cry out to help the little man would in the same breath curb his ability to buy if they refuse to vote for this amendment, by saying to him, "We are going to require you to pay a given amount down," which would in most instances be more than he could pay. So I hope that this amendment is adopted.

Mr. DAVIS of Georgia. I thank the gentleman.

I am in favor of amending the credit-control provisions of this bill to eliminate control of real-estate credit except new construction credit.

As I have already said, if I should want to sell my house, I want to be able to do so without having to let some carpetbagging bureaucrat set the price. If I should want to buy another house, I want to be able to buy it without some carpetbagging bureaucrat fixing the price. Under the bill as it stands, without an amendment, this could happen. If we adopt a bill without such an amendment, I believe it will happen.

I therefore favor this amendment.

So far as price and wage control is concerned, the need of the country at the moment is for immediate relief from the price jumps which have occurred since June 25.

Section 2 of this bill does not provide that relief.

There is no need for complicated, bunglelike machinery which cannot be set up in less than 6 months, although some of the sponsors of section 2 of this bill claim that that is the minimum time which is needed to roll back prices that set up price-control machinery.

In my opinion that is bunk, pure and simple.

I had thought that when the Banking and Currency Committee went back into session over the week end, they would bring out a bill which would meet the needs of the day regarding price increases.

The bill which they have brought out, and which is now before us, does not give a particle of relief from the 30 cents a pound increase in the price of pork chops, the 21 cents a pound increase in the price of steak, the 30 cents per pound increase in the price of lamb chops, the 16 cents per pound increase in the price of coffee, the 10 cents per pound increase in the price of lard, the 24 cents per pound increase in price of chickens, and so on down the line.

Instead of giving practical and quick relief from unwarranted price increases, section II of this bill, which is the section dealing with prices, is a bunglelike effort to straddle the fence and does nothing to give relief to those who are being pinched by these unjustifiable price jumps.

This section II is just the beginning of another bureaucrat's paradise. The best provision in it is that which says that it expires on June 30, 1951. By that time I believe it will be obvious to everybody that this section II is just a fence-straddling, political hoax.

I believe that section I of this bill giving authority for allocations and priorities is needed to aid the war effort mobilization. Likewise, section IV, providing for control of credit is needed, with certain amendments, one of them being the real-estate amendment to which I have already referred.

If this monstrosity contained in section II were not attached to these sections which are needed to effect a quick, all-out, mobilization of materials for the

war effort, and if it did not carry an automatic expiration date, I would not support the bill, at all.

The legislation on price and wage control which I have supported, and which I believe we should adopt, needs only four simple provisions:

First. A roll-back to June 25.

Second. A mandatory roll-back, with Congress assuming responsibility for it.

Third. Price and wage control tied together, to begin at the same time, and to be removed at the same time.

Fourth. An automatic expiration date on June 30, 1951.

The time has arrived for adoption of these provisions, and they are what we ought to adopt. If they are not needed now, then there is no excuse for a price- and wage-control law at all at this time.

With Congress in session, as we now are, and as we should continue to be, so long as the present war situation exists, there is no reason for us to enact a discretionary, stand-by, price-control law, passing the buck to the President, and requiring him to decide when price controls are necessary.

I say the decision is ours. We ought to make it, and we ought to make it now. It is our responsibility and we ought to accept it.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MULTER].

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. Mr. Chairman, in view of the fact that the other gentlemen recognized by the Chair were recognized for 2 minutes, should not the gentleman from New York be also recognized for 2 minutes, under the allotment of time?

The CHAIRMAN. The other gentlemen had longer time because time was yielded to them by others.

Mr. McCORMACK. Mr. Chairman, if my recollection is correct, the Chairman originally recognized the other gentlemen for 2 minutes.

The CHAIRMAN. If that is the case, the Chair will be glad to recognize all gentlemen for 2 minutes, under the present limitation of time.

Without objection, it is so ordered.

There was no objection.

(Mr. BUCHANAN, by unanimous consent, yielded his time to Mr. MULTER.)

Mr. MULTER. Mr. Chairman, let us try to understand this real-estate credit provision for what it is. Let us understand, to begin with, that the present general monetary controls exercised by the Federal Reserve System are wholly inadequate to prevent excessive expansion of mortgage credit. Such existing general credit controls affect only the Federal Reserve member banks, and those banks hold less than 20 percent of the mortgage debt of the country. The other 80 percent of the mortgage debt is controlled by private institutions and private lenders. They are not controlled

at all by the Federal Reserve System or by any law now in effect. The provisions of law applying to insured or guaranteed mortgages now being made by the Veterans' Administration and by the FHA apply to only 40 percent of the new building or new construction in the country. The other 60 percent is outside of those regulations. Unless you keep in this bill this real-estate-mortgage credit control, as reported by your committee, the market is going to run wild. In all fairness, you must not apply controls only to new construction and not apply them to existing buildings. Note that I do not say existing mortgages. There is nothing in this bill which is going to change the terms or the interest or the amortization payments of existing mortgages whether they be made by veterans or anybody else. This is to apply to new credit on real estate. There is nothing in this bill which says that you cannot buy a house for a thousand dollars or for \$10,000. But it will apply to the amount of credit that you can get on your real-estate purchase or give on your real-estate sale. It will apply to the private lenders and to the insured lenders alike. There will be no discrimination between them.

In that manner you will be able to control the situation and not let it run away with itself.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. BROWN of Georgia. It is my understanding that the other body after a long period of hearings adopted the exact amendment now being proposed by the gentleman from Michigan; is that correct?

Mr. MULTER. Our committee considered this very provision as it is written into our committee print just as fully and deliberately as the other body's committee did. We had the same influences and pressures brought to bear upon us. We decided in our committee that the bill should be reported as we did report it, rather than in the form that the committee of the other body reported it.

Mr. BROWN of Georgia. I am not complaining about the hearings, but the other body had 10 days of hearings, and we had only 3.

Mr. MULTER. The important point is that the provision as reported in our committee bill is what the President asked for and what the Federal Reserve Board says is necessary now.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. COLE].

Mr. COLE of Kansas. Mr. Chairman, there has been a great deal of confusion this morning about whether or not this amendment has anything to do with the price of houses. This amendment has nothing to do with price control. It has nothing to do with the price of old houses or the price of new houses.

I want to comment on the statement of the gentleman from New York [Mr. MULTER] with respect to the fact that private housing credit is used more extensively than Government housing

credit. That this fact, therefore, was an argument against this amendment. This amendment has nothing to do with private credit or public credit. This amendment simply provides there shall be control only on such credit as is extended for the construction of new houses. That is both public and private. It has nothing whatsoever to do with whether or not we shall extend control to private or public credit.

In addition, if this amendment is not adopted, GI's now having loans on houses and new construction may possibly find that they cannot obtain housing except and unless they have 100 percent down payment. They may also be required to limit their payments to 10 years or 5 years under this particular law.

Mr. MORTON. Mr. Chairman, will the gentleman yield.

Mr. COLE of Kansas. I yield.

Mr. MORTON. Is it not true that unless this amendment is adopted, the only person who could buy a house is a person with a substantial bank balance?

Mr. COLE of Kansas. There is no question about it. As a matter of fact, without this amendment the small man will not have an opportunity to buy a house. This protects the home owner. This protects the little fellow. This protects the man who owns his place. This protects you and I when we want to sell our individual homes. It has nothing whatsoever to do with the big operators throughout the country.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

The gentleman from Massachusetts [Mr. FURCOLO] is recognized.

Mr. FURCOLO. Mr. Chairman, I did not intend to get recognition on this particular question.

Since I have been recognized, I might say I would like to have recognition on my amendment as soon as I may have it.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BIEMILLER].

Mr. BIEMILLER. Mr. Chairman, a little while ago the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] in commenting on some remarks of mine to the effect that the Government had no direct regulation over commodity exchanges, implied that I did not know what I was talking about.

Now, let us get the record straight. At that time we were discussing the question of margins on commodity exchanges. Everyone knew that was what we were talking about. I now want to repeat that there is no Government control or regulation over margins on commodity exchanges.

I want to further add that there is no Government regulation or control over speculation on commodity exchanges. There is nominal control over manipulation, or just plain cheating on commodity exchanges. I say "nominal" because no government official or agency can issue cease and desist orders in such cases. Even after a formal hearing, any appeal that is taken to the courts allows that manipulation to continue for

years, if the parties involved can drag it out in the courts. That is the record.

The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] also saw fit to comment on the speech of the distinguished gentleman from Oklahoma [Mr. MONRONEY], he implied the gentleman was simply repeating a campaign speech on the floor of this House. I do not know whether that is true or not. If it is, however, I should like to observe it was evidently a very successful campaign speech, since twice the gentleman from Oklahoma has won spirited campaigns in Oklahoma in recent weeks; and I would like to suggest to the Members of this House that if that is a campaign speech, so be it. I am for it.

The people who liked what the gentleman from Oklahoma had to say on the subject of speculation in basic commodities are typical of the people who will watch to see what the House does today in this vital matter. It is my judgment that those people do not care for either speculators or profiteers and will have little affection for those who would protect them. I welcome the roll call on this issue which the gentleman from Oklahoma predicts will take place.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The gentleman from Michigan [Mr. WOLCOTT] is recognized.

Mr. WOLCOTT. Mr. Chairman, I simply want to call attention to the fact, as did the gentleman from Kansas [Mr. COLE], that there is no price control in this amendment. It has been argued that rents will go up if this amendment is adopted. Let me call attention to the fact that all we seek to do is to prevent the manipulation of present contracts, under which the purchase of homes is being financed, to prevent anyone from increasing the monthly payment that the GI or anyone has to make in respect to an existing contract for the purchase of a home. Unless this is adopted you might develop a situation where, because of the increase in the amount of the payments under the amortization, and the reduction in the period of amortization on rental properties, you might force, because of the increase in monthly operation cost incident to the increase of the payment, a situation where rents would have to be increased to cover them. That is what we are seeking to avoid. All we are seeking to do is to leave existing contracts alone, and authorize them to control credit incident to future construction.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. JENSEN. Is it not a fact that if this amendment is not adopted, thousands of veterans who are this very minute about to build a home under a VA loan will be defeated in possibly ever owning a home?

Mr. WOLCOTT. Yes; and I might say that the program which has already been launched has caused a lot of cutbacks in home construction, and we have been hearing about it.

The CHAIRMAN. The gentleman from Kentucky [Mr. SPENCE] is recognized.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, of course there is no price ceiling on the sale of real estate, but credit largely controls the price of houses. There are practically 30,000,000 old houses in the United States. Place controls on new construction and no controls on old construction and it is obvious that old construction is put in a preferential class and there will be a spiraling of prices on old construction as compared with new, just as there was a spiraling of prices on old cars as compared with new cars. I remember when controls were on new automobiles and no controls on the price of old cars a dealer would see that any new car he sold had been used a few miles so that he could claim it was an old car and get perhaps one-third more for it.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield for a question at that point?

Mr. SPENCE. I yield.

Mr. HOLIFIELD. Is it not true that at the bottom of page 43 yesterday we adopted an amendment which directed the President to preserve all of the credit preferences which the GI's were entitled to under the Veterans' Readjustment Act?

Mr. SPENCE. That is true.

Mr. HOLIFIELD. Therefore the veteran is not concerned in that.

Mr. SPENCE. That is entirely true. Furthermore, it does not affect the existing contracts about which the gentleman talks; they are not affected; it is only as to future contracts. If you adopt this amendment you are going to see a spiraling of prices on old houses that is going to prevent our citizens, including the veterans, from being able to purchase them.

I ask that the amendment be voted down.

The CHAIRMAN. The time of the gentleman from Kentucky has expired; all time has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 119, noes 102.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. WOLCOTT.

The Committee again divided; and the tellers reported that there were—ayes 153, noes 147.

So the amendment was agreed to.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 48, line 2, after the word "Government", insert a comma and add the words "including any new agency or agencies, which are hereby authorized to be created by the President when deemed necessary."

On page 48, line 4, after the period insert "The President is authorized to appoint heads and assistant heads of any such new agencies, and other officials therein of comparable status, and to fix the compensation therefor, without regard to the Classification Act of 1949, as amended, at rates comparable to the compensation paid to heads and assistant heads of independent agencies of the Government. Attorneys appointed under this section may appear for and represent the agency in any case in any court."

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Kentucky.

Mr. SPENCE. This merely inserts something that was left out by inadvertence in the original bill, and the committee, I know, will be glad to accept the amendment.

Mr. JAVITS. Mr. Chairman, I would just like to say one word about this before the vote, because I think it is important that we recognize the principle involved. The principle involved which the committee is accepting, and which I think we must all understand and accept, is that this is an unusual situation which requires special agencies in the shape of a mobilization planning board like the War Production Board during World War II, in order to marshal America's best brains for the mobilization effort we face today and to carry out such powers under this bill as are utilized.

I point out to the House that the National Securities Resources Board, which is now handling the mobilization effort, is essentially an advisory or staff agency, I have no doubt that the Honorable Stuart Symington would certainly be considered one of those eligible to head up a mobilization effort in a special agency. And I would also add that Charles E. Wilson, head of General Electric, should be considered as well and that he might well be drafted to do this job. He was vice chairman of the War Production Board and did a distinguished job there. I call the attention of the House to one key point that America must have at this hour, and that is reflected in General Electric's announcement—and Mr. Wilson is the president of General Electric—that it is ready to double its World War II output.

I say to my colleagues that the way we will win on the peace front is with economic power, and if necessary, with military power, and the best chance we have to avoid a serious war danger, is by that kind of genius from American industry—workers and management alike—and that kind of effort.

Mr. JACOBS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. JACOBS. Mr. Chairman, we have adopted several amendments in Committee. There was, of course, no record vote.

Some of these amendments deny banking and speculative and real estate

credit controls in this bill which proposes controls on consumer credit, prices, and wages.

Later we will undoubtedly go on record regarding these amendments.

I have nothing but good will for bankers and realtors. They, as do every legitimate business and occupation, render us a valuable service.

I want to be fair with everyone. I do not favor any punitive or unnecessary legislation.

But today practical men recognize the need for economic controls—controls on consumer credit, prices, and wages.

Another control is the control of the bodies of teen-age boys who are sent forth to fight and die for us.

Now the controls left in this bill affect the pressure at the end of the pipeline—consumer credit, prices, and wages.

If nothing is done to relieve the pressure further back, the pipeline is going to break somewhere.

Every informed Member says credit control will relieve that pressure. Likewise, taxes commensurate with Government expenditures will relieve the pressure.

So I believe that credit controls should be applicable all down the line, not just at the end.

The banker deals in liquid assets. Hence inflation will hurt him perhaps more than any other businessman.

The banker and realtor has as big a stake in this horrible business as anyone.

Besides, their sons are on the battle line. I, for one, believe they are as patriotic as anyone. The ones I know are about like other folks—no better and no worse.

Then why do they object to controls that affect them? They say they fear giving the President so much power. I suppose we all have such fears; we fear the power to control consumer credit, prices, and wages. The manufacturer fears priorities and allocations and being told what he must build.

But we face an enemy of whom Richard Wilson, writing in the Indianapolis Times Monday, said:

Less emphasis is placed upon Russia's ability to produce steel than on its determination to use the maximum amount of that steel for war purposes.

Herein lies the real test: Can we self-impose sacrifices comparable to those a dictator imposes upon the Russian people?

As an American, I instinctively fear many of these controls.

But I hope I can have as much regard for my corner groceryman whose prices are to be controlled, as I have for my ability to borrow money at the bank.

I hope I will have as much regard for daily earnings of those who work for their daily bread.

But, above all, I hope that even my neighbor's son will be more precious in my estimation than my property, my credit or my political fortunes.

If I can agree to entrust the President to command his body, curtail his liberty and send him into the valley of the shadow of death, then why should I

tremble at the power of the same man to control bank credits?

I question no man's motives. Each of us must be the keeper of his own conscience;—we must keep it free from the torturing fear that we have been willfully unjust.

In the discharge of our solemn responsibilities, each of us must decide for ourselves if we are using the same yardstick when we measure a proposed control over the personal lives of our sons and over the business of our bankers.

I repeat, Mr. Chairman, every Member is the keeper of his own conscience.

And I am certain that every Member will be mindful of his position on all other controls, including the draft, as he records his vote on the Wolcott amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 65, noes 13.

So the amendment was agreed to.

Mr. FURCOLO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FURCOLO: Page 53, line 12, strike out section 510, beginning at line 12 on page 53, through line 6 on page 54.

Mr. FURCOLO. Mr. Chairman, section 510 on pages 53 and 54 has to do, of course, with employing new people to carry out certain provisions of this act. I realize of course it is going to be necessary to have people to carry out the provisions of the act. Nevertheless, my amendment seeks to strike out the section. It is the only course open to me to bring this matter out in the open. I also realize that striking out the section is undoubtedly probably not the best way to do it. But it does seem to me that if this body goes on record at this time as indicating a sentiment in accordance with what I am suggesting, as letting the conferees know we believe that once young people are being drafted into our military service for the security of the Nation we also feel that people may be called into governmental service on the same basis, then in conference something can be worked out that will be a little bit more fair and more equitable than this section of the bill.

This section 510 is set up under the theory that it is necessary to offer some inducement in the nature of high pay to have properly qualified people to come in and administer the provisions of this act. On the other hand, the whole act itself is based on the theory that there is an emergency which requires us not only to send men abroad, but also to take this sort of restrictive measure and call upon the abilities and resources of everyone in the Nation to try to do something to help this country. If we do not have to offer any inducement to get people in the Armed Services we should not have to offer any inducement to get people into governmental service when the security of this Nation requires their services during time of war.

To me it seems extremely inconsistent to say on the one hand that we have the power to call men to go abroad to serve at risk of life and limb either at very small pay or at pay greatly less than what they earn in civilian life and yet on the other hand when it comes to carrying out the terms of this act—which is strictly a war measure, and that is the basis on which it is being offered today, we find it necessary to offer high pay as an inducement to get Americans to carry out the provisions of the act here at home, at no risk of life and limb.

If we can draft men, then certainly there should be equal right to draft people into the governmental service to carry out the provisions of wartime measures even if they are to receive lower salaries than what they get in civilian life.

I do not know of any reason why that cannot be done. I am not talking about the dollar-a-year men. I think the experience in the last war showed that probably that is not the best way. But I also know that in time of war we call upon our younger people to go out and fight and bear arms, because they are physically qualified to do that. We know they are willing to make every sacrifice because they are patriotic.

On the other hand, in time of war I do not think you will ever find anyone more patriotic than those above the age at which they can serve in the Armed Forces.

During the last war before I went into the service I served on the draft board for a short time. It was my belief then that no place in the entire country did you find people who expressed greater patriotism and a greater willingness to serve, if only they could serve, than those who were above the age of 35 years. Let us give them that opportunity. There is no reason why they should not have it. If this country needs them, there is no reason at all why we should not be able to call on them to perform duties they are physically and mentally qualified to perform, just as we take our younger people to perform the duties for which they are qualified.

As I mentioned at the beginning, perhaps striking out this section is not the way to do it, but it is the only way I know of to call it to the attention of the Nation and to call it to the attention of the conferees. When this bill goes to conference they can then sit down together and figure out some way whereby if it is necessary to call people into the Government just as we have to call people into the armed services, they can be called without having to say, as this bill does in this section, that we recognize we cannot get patriotic people unless we offer them high salaries. There is no more reason to offer anyone a high salary to come into Government service to carry out the provisions of a wartime measure than there is to offer those same salaries to the men who go into the armed forces.

I certainly hope this body will give some consideration to the suggestion I have made.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. FURCOLO] has expired.

Mr. SPENCE. Mr. Chairman, striking this provision out of the bill would be a great mistake, in my opinion. It simply gives the President authority to call on the services of men who have shown that they have great ability, without having any compensation fixed for them. They could be paid \$15 a day for subsistence. In the last war many of those men rendered distinguished service. It may be that occasionally you will find some fellow who has an unpatriotic spirit who would like to come here to enrich himself, but I think there are very few top men in the business world who would do this when their country is in trouble and needs their services. I think in the business world all the men the President would call on have demonstrated their ability and would render patriotic service.

I hope the amendment will be defeated.

Mr. FURCOLO. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. FURCOLO. The committee under this bill does contemplate paying fairly good salaries to the people who are called?

Mr. SPENCE. No, not at all. Some of them will volunteer to come and work without any salary.

Mr. FURCOLO. Is the chairman of the committee willing to express the intent for the committee, that those people shall not be paid if they are called?

Mr. SPENCE. I would not say that none of them will be paid, but I think many of the outstanding men will not ask for anything. They will not expect anything. I think we should leave them in the discretion of the President as to whether he will ask for their assistance.

I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. FURCOLO].

The amendment was rejected.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the bill, and all amendments thereto, close at 1:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. JENSEN. Mr. Chairman, reserving the right to object, will that give Members who have amendments at the desk sufficient time to partially explain their amendments?

The CHAIRMAN. The Chair is unable to state how many Members will offer amendments.

Mr. SPENCE. How many amendments are there on the desk, if I may ask?

The CHAIRMAN. The Chair is informed there are three amendments on the desk.

Mr. KUNKEL. Reserving the right to object, Mr. Chairman, may I make the suggestion to the distinguished chairman that he make that 1:40?

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the bill, and all amendments thereto, conclude at 1:40 p. m.

Mr. HALLECK. Reserving the right to object, Mr. Chairman, I only do this to suggest that I think one of those amendments will not be offered. The gentleman from Pennsylvania [Mr. KEARNS] and the gentleman from Iowa [Mr. JENSEN] have amendments which they wish to offer.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky, that all debate on the bill, and all amendments thereto, conclude at 1:40 p. m.?

There was no objection.

Mr. KEARNS. Mr. Chairman, I offer an amendment, which is at the desk.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Pennsylvania.

The Clerk read as follows:

Amendment offered by Mr. KEARNS: Insert after section 510 (b), page 54, a new subsection as follows:

"(c) Appointments to all offices and positions necessary and appropriate to the carrying out of the provisions of this act, except those positions referred to in subsection (a) of this section, shall be subject to and made in accordance with the provisions of the Classification Act of 1923, as amended."

Mr. KEARNS. Mr. Chairman, I do not think there should be any opposition to this amendment for this reason: It is purely designed to require that all jobs which come into existence under this legislation be merit-system jobs. I am informed by the members of the committee on the majority side that possibly some of these jobs will be filled by just dollar-a-year men. We know, however, that during the former OPA days in various agencies which were set up in the operation of controls we had many, many employees that were not dollar-a-year men. Every Member of this House has many constituents in his district who have successfully passed civil-service examinations and are entitled to some kind of position if it is open through this legislation. Therefore, I merely present this amendment to take care of qualified personnel, people who have met the qualifications of a civil-service examination to qualify them for these jobs if they are in the offing.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, section 510 (a) will do exactly what the gentleman has suggested. Section 510 (b) is the section that will permit the acceptance by the Government of the services of individuals who are especially qualified for those particular positions without any pay whatsoever. Many people cannot come to Washington and give up the places where they are now employed, their pension benefits, salaries, and things like that; they will not do it even in wartime unless there is some provision made for them. This special provision, 510 (b), is here so that persons of outstanding experience and ability may be employed without compensation. They will not even be paid the dollar a year which was

paid during World War II; they will be paid only if they request it, a maximum of \$15 per day for subsistence. You cannot get them out of civil-service examinations, you cannot get them from the civil-service rolls; it is impossible. You have got to have outstanding people with special qualifications for this particular thing, and I hope this amendment will be defeated. Because there are a lot of fine people on civil-service rolls does not mean they are qualified for these special jobs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. KEARNS) there were—ayes 40, noes 56.

So the amendment was rejected.

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: Page 55, at the end of the bill, add a new section as follows:

"Provided, That no person may be employed under this act who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law."

Mr. SPENCE (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with.

The CHAIRMAN. Is their objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. JENSEN. Mr. Chairman, this is the identical amendment to the one I offered last week to the committee bill, and which was adopted by a voice vote of the House.

I am sure every Member of Congress and every loyal American understands

the need for a law such as this amendment provides. We are in a shooting war with communism abroad and trying to root Communists out of Government, lest we forget. The amendment speaks for itself, in terms all can understand.

Mr. Chairman, I ask unanimous consent that the amendment, if adopted, be placed after section 512 on page 55.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. JENSEN].

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, as a member of the Banking and Currency Committee, I am naturally glad that the committee of which a great American statesman the gentleman from Illinois [Mr. SPENCE] is chairman and on which I have had the honor and the appreciated privilege of serving has rendered a service to the Nation in time of great crisis by clearing away the clouds of confusion which for 3 days of last week settled so deeply about this Chamber that at times it was difficult to distinguish your next seat neighbor.

I am sure that my colleagues will agree with me that it was fortunate for the Congress, and for our country, that on the committee were members of long and rich experience with the problems of inflation, scarcity of commodities and materials, and of the many abnormal conditions which characterize periods of war emergency.

While there were differences of opinion, of course, and clashes of philosophies, the debates in the committee were kept uniformly on a high level and were tempered by the thought in the mind of every member, I am sure, that it was the wish of the House and the necessity of the Nation that from our committee should come the framework of a measure commanding bipartisan support.

I think the attention of the House and of the country should be called to the fact that while our men in the armed services were fighting in Korea there were among the 27 Members of the Congress working on this bill, made necessary by another war emergency, two members of the committee who were not here when similar legislation was under consideration during the period of World War II because they then were among the men in the armed services and were in combat. The gentleman from New Jersey [Mr. ADDONIZIO] spent 57 months overseas with the Sixtieth Infantry of the Ninth Division, participating in eight major campaigns from the invasion of North Africa, up through Sicily, Normandy, northern France, the Battle of the Bulge, central Europe, and Rhineland. He is one of the few living combat officers to wear eight campaign stars. The gentleman from Missouri [Mr. BOLLING] served 4 years overseas in Australia, New Guinea, Philippines, and Japan. I am very sure that when they

were participating in the deliberations of our committee on legislation required by the storm signals of another threatened war they were determined that if another period of war sacrifice must come to us that everything we have in a material sense, dollars and business, and everything must go into this struggle on the same basis of sacrifice to the utmost as is demanded of our men who do the fighting.

I think it fitting also to mention that on the committee which brought this bill to the House with bipartisan support were members who had served in World War I, including the distinguished gentleman from Michigan [Mr. Wolcott], the ranking Republican member and the chairman of the committee in the Eightieth Congress, who saw active service in France during the Meuse-Argonne offensive with a machine-gun company of the Twenty-sixth Infantry, First Division.

I do not think this is a perfect bill. I think it has been weakened where it should not have been weakened by amendments that might better have been defeated. Perhaps because the Membership is hoping that things will not actually turn out as rough as now seems the probability, and certain interests have wanted a preference in cushions upon which to rest the status quo, we have not been able to make the Defense Production Act of 1950 all that we would have desired.

But on the whole I feel that the bill is worthy of our support. Not much has been said in the debate about the provision granting the power to requisition. I would say that this is among the strongest features of the bill. The power to requisition is the best, and the most practical, weapon against hoarding, especially hoarding, in a stockpile or wholesale level.

There can be no doubt in any reasonable mind that the war emergency will interfere with home construction. Regardless of credit availability, the construction of homes must suffer a setback for the simple reason that steel and other materials will be going into the products of war. This will certainly not help the housing shortage, and it seems to me short-sighted on our part not to have conferred upon the President the stand-by authority to extend and broaden rent control when and if necessary. Doubtless this will be covered in other legislation, as well as the imperatively demanded matter of an excise tax. This time if war comes dollars can claim, and we are determined shall not receive, any preference over men.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I have been waiting some time to get recognition, so my remarks are rather belated.

At the bottom of page 43 the amendment was changed to protect the GI building program, which I think was very good cooperation on the part of the committee. I do want to call the attention of the committee, not of this com-

mittee necessarily but of the Veterans' Affairs Committee possibly and the Committee on the Armed Forces, to the fact that many of these GI boys who have bought homes are being reactivated because they are members of reserve units or possibly members of different National Guard units. Many of them who are being reactivated, who are being called back into the service, are unable to make the payments on their GI homes which they have bought. There are no family allowances to give them extra money. I think that is a job which the proper committee should take care of as soon as possible.

Mr. Chairman, the GI building program should be preserved.

I think such an amendment imperative to the bill under consideration. It relates to the section which will give the President authority to apply the broadest kind of restrictions in the field of residential housing credit.

All of us recognize that the tremendous volume of residential construction is one of the first areas where we can apply the brakes so that the necessary degree of diversion of our economic activity from civilian pursuits to defense production can be achieved. We might even argue that a certain amount of reduction from the present hyperactive stage of building activity would in itself be healthy even without the Korean situation.

The point I wish to make—and I cannot make it too emphatic—is that we must be careful not to just think of construction as one great mass without distinguishing between its component parts. There are all kinds of building activity. Some of it deals with race tracks and some of it with carnivals and amusement parks. Clearly we can forego such types of construction in an emergency situation.

Taking housing itself, we must keep firmly in mind that there are all kinds of houses. There are luxury houses being built in the higher-price brackets for our wealthier citizens. There are houses in the middle-price brackets available to all our citizens. But there is one segment of our housing effort—it seems to me—that should have the highest priority in any program designed to reduce the absolute level of housing construction.

I am talking about the houses which are going to veterans with low-cost financing on liberal terms under the GI bill. When we established the GI loan benefit—and when we recently improved the effectiveness of that benefit in the new housing law—we recognized that veterans should have real preference in Government credit aids to finance their home purchases.

While veterans housing under the GI bill is substantial in volume, the plain fact is that veterans housing nonetheless is a relatively small part of our total housing production.

Let us look at the figures. I have a table—table 1—before me, based upon data from the Veterans' Administration, which shows the total dollar volume of new construction and the dollar volume

of private residential construction for the 6 months ending May 1950. The table also shows the estimated construction cost of new homes purchased by veterans with a GI loan each month for the same period. When we relate these two series what do we find? We find that homes bought by veterans with GI loans account, are on the average, only 8.3 percent of the volume of total new construction and only 19.1 percent of the volume of private residential construction.

In other words, in this new legislation we are now considering, we must be extremely careful that we do not lightly give authority which would permit the controlling authorities to tamper with the veterans housing segment of the market. The figures I have quoted demonstrate amply that veterans housing is a narrow segment of the housing picture and a still narrower segment of construction generally. The majority of our housing construction at present involves higher priced homes going largely to nonveterans. That is the broad segment which should be cut first in any control measures adopted as the result of the bill which we are now considering.

The housing going to veterans with GI loans meets the very special need of our former GI's. They are getting their housing under the most favorable financing terms available in the market. They pay only 4 percent interest; they get a gratuity payment and other advantages; and they get their loans even though they were unable to save enough during the war and the postwar period to make the large down payment usually required with conventional and FHA loans.

Moreover, I would like to emphasize that veterans housing under the GI bill is not luxury housing. The great bulk of these homes are modest homes for our low-income and middle-income GI's. I have another table—table 2—before me which shows that for the past year the average purchase prices of new homes going to veterans with GI loans are centered within a range of \$8,400 to \$9,400.

Surely this type of housing is the very last which should be restricted as our mobilization proceeds. If we run into the holocaust of total war, naturally we will have to cut down on veterans housing, as we will in all other sectors of economic activity except those vital to war and war purposes. But in the program of partial mobilization with which we are now confronted, there is no justification whatsoever for denying low-cost housing with GI loans to our former GI's. If we must cut—and clearly we must cut some part out of the tremendous housing boom—then let us make sure that we restrict and cut down on the higher priced homes which are going to nonveterans—these are the new homes which comprise the bulk of our residential building activity.

I will admit that the framers of the present bill were on the right track in recognizing the priority of GI-financed veteran housing. This is shown by the clause in the bill in section 402 which provides that the President, in exercising controls over housing and mortgage

credit, should give consideration to maintaining the relative preference of veterans in Government-sponsored housing credit aids. But while the framers were tending in the right direction, they did not go far enough. My amendment will remove all doubt on the subject. Instead of merely asking that the President give consideration to veterans financing aids, my amendment will require him to make certain that the GI loan preference of veterans is maintained.

Surely no one can in good conscience oppose my proposed amendment. Our troops in Korea have the highest priority beyond all question. It is for them primarily that we are hereby proposing to give power to cut down various sectors of our civilian economy. All I ask is that when the knife is used, that we divide what's left on a fair and equitable basis. And that means that the new housing going to veterans with financing under the GI bill should be protected with the highest priority we can give to civilian housing production.

At this point I would like to read a telegram from the Veterans of Foreign Wars which urges the strengthening of the priority provision for veterans housing, as proposed in my amendment.

WASHINGTON, D. C., August 9, 1950.
HON. CHET HOLIFIELD,
Member of Congress,
House Office Building:

Veterans of Foreign Wars strongly urge that language in Defense Production Act coming up today relating to credit controls on housing be amended to make present veterans home loan program mandatory rather than optional as in existing language. Veterans housing program represents less than 15 percent of total construction and should be preserved unless Nation becomes involved in all-out war effort.

OMAR B. KETCHUM,
Legislative Director, Veterans of Foreign Wars.

TABLE 1.—Comparison of dollar volume of new-construction expenditures and estimated construction cost of new homes financed with GI loans

Period	Volume of new construction expenditures (millions of dollars) ¹		Estimated construction cost of new homes financed with GI loans ²		
	Total new construction	Private residential construction	Millions of dollars	Percent of total new construction	Percent of private residential
December 1949.....	1,852	806	119	6.4	14.8
January 1950.....	1,712	742	153	8.9	20.6
February.....	1,618	717	176	10.9	24.5
March.....	1,750	741	169	9.7	22.8
April.....	1,959	852	160	8.2	18.8
May.....	2,250	1,010	152	6.8	15.0
Total 6 months ending May 1950.....	11,141	4,868	929	8.3	10.1

¹ Source: Joint estimates of Department of Commerce and Department of Labor.

² Source: Veterans' Administration. Estimate based on purchase price of new homes financed with GI loans closed, with 20 percent deducted to allow for land, overhead, and profit included in the purchase price, to arrive at an estimate comparable with the figures on new construction expenditures.

TABLE 2.—Average purchase price of new homes purchased with VA-guaranteed first mortgage loans

Period	Newly completed homes purchased with GI loan	Proposed construction financed with GI loan
1948—January.....	\$8,985	\$8,882
February.....	8,909	8,741
March.....	8,856	8,973
April.....	8,802	9,125
May.....	8,917	9,010
June.....	8,221	9,236
July.....	9,394	9,270
August.....	9,468	9,282
September.....	9,633	9,367
October.....	9,676	9,351
November.....	9,862	9,859
December.....	9,892	9,910
1949—January.....	9,896	9,833
February.....	9,827	9,520
March.....	9,761	9,323
April.....	9,666	8,899
May.....	9,590	8,847
June.....	9,499	8,580
July.....	9,363	8,318
August.....	9,379	8,447
September.....	9,313	8,457
October.....	9,277	8,457
November.....	9,132	8,504
December.....	9,029	8,562
1950—January.....	9,072	8,472
February.....	8,959	8,517
March.....	9,045	8,491
April.....	8,929	8,357
May.....	8,905	8,412

Source: Veterans' Administration. Data only for homes financed with VA first mortgage loans (Section 501).

Mrs. DOUGLAS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. DOUGLAS. Mr. Chairman, if curtailment of building construction is necessary it should occur in the luxury type of homes and in such types of construction as race tracks, amusement buildings, and so forth. The GI building program should not be curtailed. It comprises only 8.3 percent of total new construction for the first 6 months of 1950. The committee is to be commended, Mr. Chairman, for making it mandatory that the present GI residential credit preferences be preserved.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. KUNKEL].

Mr. KUNKEL. Mr. Chairman, yesterday during the debate the gentleman from Pennsylvania [Mr. BUCHANAN] said that the same broad credit powers had been granted to the President in the Second War Powers Act and in the Trading With the Enemy Act of 1917. I had the legislative counsel check with the Federal Board. The Board could not find the reference in the Second War Powers Act, and the language used in the Trading With the Enemy Act is certainly not in any sense as broad as that contained in that section of the bill which was deleted from it yesterday by committee action.

I might also call attention to the fact that the Trading With the Enemy Act is still in effect. It provides that during the time of war or during any other period of national emergency declared by the President, that the President can re-institute such powers granted under the act merely by making a declaration of an emergency, or during time of war. So, even if he needs the authority, and even

if the situation should arise, why, he can call those powers into being, such as they are. Of course, I do not think the Trading With the Enemy Act is nearly as broad as the grant proposed, but the President is completely protected under any circumstances. I wanted to call that to the attention of the Committee prior to the time there was a vote on the credit amendment, because I believe there will be a roll-call vote later on.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman I take this time to point out that the Trading With the Enemy Act, wherein those powers were granted, as amended by the act of 1941 (55 Stat. 839), takes care of those very provisions. While the gentleman has stated that it is necessary to declare an emergency or state of war existing, I merely made the statement yesterday that in the Trading With the Enemy Act and under this act of 1941, the Second War Powers Act, 55 Stat. 839, that he did have those same broad powers, and we are asking for them in this case.

Mr. KUNKEL. Mr. Chairman, if the gentleman will yield, I point out that the powers are not nearly so broad and secondly, if they are contained in those particular statutes, then they can be called into effect at any time the President declares an emergency.

Mr. BUCHANAN. I might say to the gentleman that the language here is just as broad as the powers that he had at that time and is asking for the same in this particular legislation.

Mr. KUNKEL. Well, I disagree with that, but if they are, then he has them, because this act is still in effect.

Mr. BUCHANAN. He would have to declare an emergency or we would have to be in a state of war.

Mr. KUNKEL. What we are contending is that under Federal provisions you should not have emergency powers in the absence of an emergency.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, if the gentleman from Pennsylvania [Mr. KUNKEL] were right in his contention, I do not think his colleagues on his side of the aisle would have made the vigorous attempt to exclude from this bill the credit and real-estate controls which they have succeeded in striking out of this bill. The fact of the matter is that the President does not have these credit powers now. The Federal Reserve Board has told us he does not have these powers now. He has asked for these powers. The Federal Reserve Board has said in so many words, as of August 1, referring to the provisions of this very bill, that he needs these powers and he should be given these powers at this time. I say it is indefensible to strike these provisions out of this bill.

LET'S PROTECT THE COUNTRY AGAINST RUNAWAY INFLATION OR DISASTROUS DEFLATION

Mr. RANKIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this will probably be the last time that I will have an oppor-

tunity to speak on this measure, which, in my opinion, is one of the most dangerous pieces of legislation that has been proposed in this Congress. For the simple reason that it attempts to regiment the American people and leave the financial racketeers free, and let the inflation of the currency run wild or deflation wreck the country.

As I pointed out on yesterday, prices in a free economy are governed by two things, the volume of the Nation's currency multiplied by the velocity of its circulation. Every well-informed economist will tell you so.

One gentleman here today said that in 1928 we went into a depression because of the commodity supply. He evidently had not read the record. At that time the volume of currency had dropped from \$5,698,214,612 in 1920 to \$4,973,168,182 in 1928, which carried prices down with it and wrecked the Hoover administration.

I have before me a statement from the Farm Bureau Federation that has more in it, in one paragraph, than all the spurious debate we have heard in favor of regimenting the American people and leaving the financial racketeers to run

wild. That is what this bill does. The American Farm Bureau Federation says:

Inflation is the condition which develops when the supply of money increases in relation to the supply of goods.

You are not doing a thing in the world to check inflation of the currency, which is now running wild. You are trying to put the bee on the little fellow, and even trying to prevent him from "hoarding" potatoes or corn, but you do not try to stop the financier, the big financial racketeer, from "hoarding" the Nation's currency.

Again the American Farm Bureau Federation wisely says:

Price and ration controls, at best, only suppress the symptoms of inflation. They invite black markets and require administrative personnel needed for production. They do not attack the problem of cheap dollars at its source, and actually decrease the supply of goods, thus depriving the country of needed defense and the citizens of goods and services.

I have before me a Treasury report of 1928 and also one of 1950, showing the inflation we are in today. Do you know what the volume of currency is now? I have not heard a single member of this committee touch side, edge or bottom of

that proposition. As I said, on December 31, 1928 we had \$4,793,000,000 in circulation. In 1920 we had \$5,698,000,000. That was at the peak of high prices. How much have we now, Mr. Chairman? I will tell you how much. Not \$5,698,000,000 as we had in 1920, but \$27,156,000,000, or nearly five times as much as we had in 1920 and nearly six times as much as we had in 1928.

It increased from May 31 to June 30 of this year \$67,000,000.

Not a thing in this bill even tends to check the expansion of the currency through the Federal Reserve System, or to protect us against disastrous deflation, such as we had in 1928.

But you propose in this bill to regiment the American people, and leave their destiny in the hands of certain financial interests that could wreck this country, with runaway inflation through the Federal Reserve System, or plunge us into disastrous deflation that might paralyze the Nation, bring distress to the American people, and fill our streets with breadlines, as was done in 1928.

For the information of the House I am inserting at this point the Circulation Statement of United States Money—December 31, 1928:

Kind of money	Total amount	Money held in the Treasury					Money outside of the Treasury				Population of continental United States (estimated)
		Total	Amount held in trust against gold and silver certificates (and Treasury notes of 1890)	Reserve against United States notes (and Treasury notes of 1890)	Held for Federal Reserve banks and agents	All other money	Total	Held by Federal Reserve banks and agents	In circulation		
									Amount	Per capita	
Gold coin and bullion.....	\$4,141,420,889	\$3,206,606,813	\$1,412,515,819	\$156,039,088	\$1,448,961,109	\$189,090,797	\$934,814,076	\$539,504,363	\$395,309,713	\$3.32	
Gold certificates.....	(1,412,515,819)						1,412,515,819	421,519,960	990,995,859	8.32	
Standard silver dollars.....	539,961,775	481,960,397	476,181,974			5,778,423	58,001,378	11,526,004	46,475,374	.39	
Silver certificates.....	(474,888,124)						474,888,124	64,553,914	410,334,210	3.45	
Treasury notes of 1890.....	(1,293,850)						1,293,850		1,293,850	.01	
Subsidiary silver.....	304,398,571	2,189,001				2,189,001	302,209,570	10,895,647	291,313,923	2.45	
Minor coin.....	118,618,677	975,648				975,648	117,643,029	2,029,887	115,613,142	.97	
United States notes.....	346,681,016	3,953,054				3,953,054	342,727,962	48,529,449	294,198,513	2.47	
Federal Reserve notes.....	2,277,353,565	1,434,090				1,434,090	2,275,919,475	467,866,876	1,808,052,599	15.18	
Federal Reserve bank notes.....	3,882,751	57,219				57,219	3,825,532	5,377	3,820,155	.03	
National bank notes.....	698,782,129	16,067,169				16,067,169	682,714,960	66,954,116	615,760,844	5.17	
Total Dec. 31, 1928....	8,431,099,373	3,713,243,391	1,888,697,793	156,039,088	1,448,961,109	219,545,401	6,606,553,775	1,633,385,593	4,973,168,182	41.76	119,076,000
Comparative totals:											
Nov. 30, 1928.....	8,281,523,377	3,741,985,036	1,869,770,295	156,039,088	1,490,272,210	225,903,443	6,409,308,636	1,419,194,269	4,990,114,367	41.95	118,957,000
Dec. 31, 1927.....	8,619,444,799	4,011,869,982	2,090,864,120	155,420,721	1,556,510,011	209,072,130	6,098,441,937	1,695,486,256	5,002,955,681	42.52	117,653,000
Oct. 31, 1929.....	8,479,620,824	2,436,864,530	718,674,378	152,979,026	1,212,360,791	352,850,336	6,761,430,672	1,063,216,060	5,698,214,612	53.01	107,491,000
Mar. 31, 1917.....	5,396,596,677	2,952,020,313	2,681,691,072	152,979,026		117,350,216	5,126,267,436	953,321,522	4,172,945,914	40.23	103,716,000
June 30, 1914.....	3,796,456,764	1,845,575,888	1,507,178,879	150,000,000		188,397,009	3,458,059,755		3,458,059,755	34.92	99,027,000
Jan. 1, 1879.....	1,007,084,483	212,420,402	21,602,640	100,000,000		90,817,762	816,266,721		816,266,721	16.92	48,231,000

You will note at that time we had \$1,808,052,599 in Federal Reserve notes. Today we have \$22,760,284,970 in Federal Reserve notes.

Remember, these Federal Reserve banks can retire these notes at any time

they desire, take up the bonds which they have deposited and which have been accumulating interest all these years, and in that way plunge the Nation toward disastrous deflation.

For the information of the House, I am inserting at this point the Circulation Statement of United States Money—June 30, 1950:

Circulation statement of United States money—June 30, 1950

Kind of money	Total amount	Money held in the Treasury					Money outside of the Treasury			
		Total	Amount held as security against gold and silver certificates (and Treasury notes of 1890)	Reserve against United States notes (and Treasury notes of 1890)	Held for Federal Reserve banks and agents	All other money	Total	Held by Federal Reserve banks and agents	In circulation ¹	
									Amount	Per capita ²
Gold.....	\$24,230,720,268	\$24,230,720,268	\$23,022,851,912	\$156,039,431	.....	\$1,051,828,925	\$2,856,327,620	\$2,815,555,600	\$40,772,029	\$0.27
Gold certificates.....	*(23,022,851,912)	*(20,166,524,285)	.....	.....	.....	.....	.....	.....	.....	.....
Standard silver dollars.....	492,582,858	319,840,142	302,938,393	.....	.....	16,901,749	172,742,716	2,557,828	170,184,888	1.12

See footnotes at end of table.

Circulation statement of United States money—June 30, 1950—Continued

Kind of money	Total amount	Money held in the Treasury					Money outside of the Treasury			
		Total	Amount held as security against gold and silver certificates (and Treasury notes of 1890)	Reserve against United States notes (and Treasury notes of 1890)	Held for Federal Reserve banks and agents	All other money	Total	Held by Federal Reserve banks and agents	In circulation ¹	
									Amount	Per capita ²
Silver bullion.....	\$2,022,834,904	\$2,022,834,904	\$2,022,834,904							
Silver certificates.....	⁴ (2,324,628,236)						\$2,324,628,236	\$147,377,190	\$2,177,251,046	\$14.35
Treasury notes of 1890.....	⁴ (1,145,061)						1,145,061		1,145,061	.01
Subsidiary silver.....	1,001,573,600	10,414,334				\$10,414,334	991,159,266	26,450,342	964,708,924	6.36
Minor coin.....	378,463,200	7,854,745				7,854,745	370,608,455	9,722,586	360,885,869	2.38
United States notes.....	346,681,016	2,464,405				2,464,405	344,216,611	23,435,182	320,781,429	2.11
Federal Reserve notes.....	23,602,679,835	51,835,210				51,835,210	23,550,844,625	790,559,655	22,760,284,970	150.00
Federal Reserve bank notes.....	277,201,956	77,372				77,372	277,124,584	3,337,080	273,787,504	1.80
National bank notes.....	87,615,382	367,510				367,510	87,247,872	759,550	86,488,322	.57
Total, June 30, 1950.....	52,440,353,019	26,646,408,890	25,348,625,209	\$156,039,431	\$ (20,166,524,283)	\$1,141,744,250	\$30,976,045,055	3,819,755,013	27,156,290,042	178.97
Comparative totals:										
May 31, 1950.....	52,358,685,718	26,647,628,352	25,338,343,518	156,039,431	20,182,504,699	1,153,245,403	30,866,896,185	3,777,096,631	27,089,799,554	178.76
June 30, 1949.....	53,103,980,266	26,861,355,044	25,554,810,696	156,039,431	20,429,709,806	1,150,504,917	31,367,726,112	3,874,816,210	27,492,909,902	184.25
Oct. 31, 1929.....	8,479,620,824	2,436,864,530	718,674,378	152,979,026	1,212,360,791	352,850,336	6,761,430,672	1,063,216,060	5,698,214,612	53.18
Mar. 31, 1917.....	5,396,596,677	2,952,020,313	2,681,691,072	152,979,026		117,350,216	5,126,267,436	953,321,522	4,172,945,914	40.49
June 30, 1914.....	3,797,825,099	1,845,569,804	1,507,178,879	150,000,000		188,390,925	3,459,434,174		3,459,434,174	34.90
Jan. 1, 1879.....	1,007,084,483	212,420,402	21,602,640	100,000,000		90,817,762	816,266,721		816,266,721	16.76

¹ The money in circulation includes any paper currency held outside the continental limits of the United States.

² Based upon estimates of the Bureau of the Census.

³ Does not include gold other than that held by the Treasury.

⁴ These amounts are not included in the total, since the gold or silver held as security against gold and silver certificates and Treasury notes of 1890 is included under gold, standard silver dollars, and silver bullion, respectively.

⁵ This total includes credits with the Treasurer of the United States payable in gold

certificates in (1) the gold certificate fund—Board of Governors, Federal Reserve System, in the amount of \$19,643,875,142, and (2) the redemption fund for Federal Reserve notes in the amount of \$522,649,141.

⁶ Includes \$155,500,000 lawful money deposited as a reserve for postal-savings deposits.

⁷ The amount of gold and silver certificates and Treasury notes of 1890 should be deducted from this amount before combining with total money held in the Treasury to arrive at the total amount of money in the United States.

⁸ Revised figures.

NOTE.—There is maintained in the Treasury—(i) as a reserve for United States notes and Treasury notes of 1890—\$156,039,431 in gold bullion; (ii) as security for Treasury notes of 1890—an equal dollar amount in standard silver dollars (these notes are being canceled and retired on receipt); (iii) as security for outstanding silver certificates—silver in bullion and standard silver dollars of a monetary value equal to the face amount of such silver certificates; and (iv) as security for gold certificates—gold bullion of a value at the legal standard equal to the face amount of such gold certificates. Federal Reserve notes are obligations of the United States and a first lien on all the assets of the issuing Federal Reserve bank. Federal Reserve notes are secured by the deposit by the Federal Reserve bank concerned, with its Federal Reserve agent, of a like amount of collateral consisting of such discounted or purchased paper as is eligible under the terms of the Federal Reserve Act, or gold certificates, or direct obligations of the United States. Each Federal Reserve bank must maintain reserves in gold certificates of not less than 25 percent against its Federal Reserve notes in actual circulation. Gold certificates deposited with Federal Reserve agents as collateral, and those deposited with the Treasurer of the United States as a redemption fund, are counted as part of the required reserve. "Gold certificates" as herein used includes credits with the Treasurer of the United States payable in gold certificates. Federal Reserve bank notes and national bank notes are in process of retirement.

I hope every Member of Congress, and everyone else who reads this RECORD, will examine these two statements carefully then they will see how we have spiraled into inflation through the Federal Reserve System, which may increase, if the Federal Reserve banks desire it, while the American people are regimented and restricted under the provisions of this bill; or, as I said, these Federal Reserve notes can be retired down to where they were in 1928, or lower, and the country plunged into a disastrous deflation that might mean the end of the Republic.

I am appealing to the Committee on Banking and Currency to take this bill back and rewrite it so as to prevent inflation, by limiting, by law, the amount of money that can be placed in circulation at one time; and at the same time putting a floor under the volume of our currency in order to prevent disastrous deflation such as we had from 1928 to 1933.

That can be done by authorizing and directing the Department of the Treasury to issue United States notes with a gold reserve behind them to hold the volume of the currency up to the minimum prescribed by law—thereby protecting us against disastrous deflation.

During the V. ar Between the States, when the volume of the Nation's currency sank below the danger point, Abraham Lincoln's administration issued \$346,681,016 in United States notes with nothing but the credit of the Government behind them, since we did not have the gold to supply the reserve.

That money is still in circulation, as you will see from the circulation statement of June 30, 1950, and also from the circulation statement of December 31, 1928, both of which I have inserted. Of course, there is now a gold reserve behind those notes; but Lincoln did not have the gold to provide that reserve at the time this money was issued.

Instead of regimenting the American people, and permitting the selfish interests to inflate our currency beyond the danger point, or plunge us into a panic by disastrous deflation, I appeal to the Committee on Banking and Currency to take this bill back and rewrite it, so as to protect the American people against these dangers, which, as I said, might imperil the very life of the Nation.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. HAYS of Arkansas. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAYS of Arkansas. Mr. Chairman, the debate should not close without reference to the historic statement in the declaration of policy on the purposes of the United States in resisting aggression. For the first time in history we are acting at the request of an international agency for peace and are supported by other nations in resisting aggression. The United Nations was organized to maintain peace. It repre-

sents the conscience of the world in opposition to war and aggression. Whatever we call the operations in Korea, we know that our purpose is to help maintain peace under the principles of world law. A great forward step has been taken in mankind's long struggle for justice and peace. America has been thrust into the role of leadership and our action on this bill will indicate to the world that our resolutions are firm and our moral resources equal to the task.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, exempting from these remarks the chairman of the Committee on Banking and Currency, I want to pay my tribute to this committee. I do not think there has been a harder working, more conscientious, more unselfish committee in the House than the Committee on Banking and Currency. I not only feel that it is a great honor to preside over that committee but it is a great honor and privilege to be associated with it.

May I say also that I think that committee has one of the best clerks I have ever seen in the House. Bill Hallahan is conscientious, industrious, and able. We could not have a more efficient clerk. He is a great asset to that committee. Our two experts, Orman S. Fink and John E. Barriere, are also men upon whom we can rely for accurate and impartial information.

The CHAIRMAN. All time has expired.

The question is on the committee substitute for the original bill, as amended. The committee substitute was agreed to.

Mr. RANKIN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. RANKIN moves that the Committee do now rise and report the bill back to the House with the recommendation that it be recommitted to the Committee on Banking and Currency for further hearings and study.

Mr. PATMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. PATMAN. Mr. Chairman, I make the point of order that this being a straight motion to recommit, without instructions, it is not permissible under the rule under which we are considering the bill in Committee.

The CHAIRMAN (Mr. SMITH of Virginia). The Chair is ready to rule.

That motion is not in order in Committee of the Whole, and the Chair sustains the point of order.

Mr. RANKIN. Mr. Chairman, it is in order to make a motion that the Committee do now rise and report the bill back to the House with the recommendation that it be recommitted to the Committee on Banking and Currency for further study and hearing.

The CHAIRMAN. In the consideration of this bill the Committee of the Whole is operating under a special rule which lays down the conditions under which the bill is to be considered. The motion of the gentleman from Mississippi is not in order at this time.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Virginia, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, pursuant to House Resolution 740, he reported the bill back to the House with sundry amendments adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. SPENCE. Mr. Speaker, we ask for separate votes on three amendments: First, on the Wolcott amendment on the definition of credit; second, on the Cooley amendment with reference to the regulation of commodity exchanges; and third, on the Wolcott amendment with reference to real estate.

Mr. KUNKEL. Mr. Speaker, I ask for a separate vote on the Spence amendment, title II, covering rationing and price control.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gross. The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: On page 30, insert a new title II, as follows:

"TITLE II

"PRICE AND WAGE STABILIZATION

"SEC. 201. It is the intent of Congress to provide authority necessary to achieve the following purposes in order to promote the national defense: to prevent inflation and preserve the value of the national currency; to assure that defense appropriations are not dissipated by excessive costs and prices; to stabilize the cost of living for workers and other consumers and the costs of production for farmers and businessmen; to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities; to protect consumers, wage earners, investors, and persons with relatively fixed or limited incomes from undue impairment of their living standards; to prevent economic disturbances, labor disputes, interferences with the effective mobilization of national resources, and impairment of national unity and morale; to assist in maintaining a reasonable balance between purchasing power and the supply of consumer goods and services; to protect the national economy against future loss of needed purchasing power by the present dissipation of individual savings; and to prevent a future collapse of values. It is the intent of Congress that the authority conferred by this title shall be exercised in accordance with the policies set forth in section 2 of this act, and in particular with full consideration and emphasis, so far as practicable, on the maintenance and furtherance of the American system of competitive enterprise, including independent small-business enterprises, the maintenance and furtherance of a sound agricultural industry, the maintenance and furtherance of sound working relations, including collective bargaining, and the maintenance and furtherance of the American way of life. Whenever the authority granted by this title is exercised, all agencies of the Government dealing with the subject matter of this title, within the limits of their authority and jurisdiction, shall cooperate in carrying out these purposes.

"SEC. 202. (a) In order to carry out the objectives of this title, the President may encourage and promote voluntary action by business, agriculture, labor, and consumers. In proceeding under this subsection the President may exercise the authority to approve voluntary programs and agreements conferred on him under sections 708 and 712, and may utilize the services of persons and agencies as provided in section 710.

"(c) Where the objectives of this title cannot be attained by action under subsection (a), the President may issue regulations and orders at the same time both—

"(1) establishing a ceiling or ceilings on the price, rental, commission, margin, rate, fee, charge, or allowance paid or received on the sale or delivery, or the purchase or receipt, by or to any person, of any material or service; and

"(2) establishing a ceiling or ceilings, wages, salaries, and other compensation paid to or received by any person for any type of employment; and regulations prohibiting increases in wages, salaries, and other compensation, except when deemed necessary by the President to prevent gross inequity or to effectuate the purposes of this act, shall be issued whenever an increase in wages,

salaries, or other compensation (A) would require increases in price ceilings established under paragraph (1) of this subsection, or (B) would impose an undue burden on a seller operating under a price ceiling established under paragraph (1) of this subsection.

"Action under this subsection may be taken either with respect to individual materials and services, or with respect to materials and services generally.

"Wages, salaries, and other compensation shall be stabilized generally whenever ceilings on prices, including retail sales prices, have been established on materials and services comprising a substantial part of all sales at retail and materially affecting the cost of living.

"(d) So far as practicable, in exercising the authority conferred in this section, the President shall ascertain and give due consideration to comparable prices, rentals, commissions, margins, rates, fees, charges, and allowances, and to comparable salaries, wages, or other compensation, which he finds to be representative of those prevailing during the period from May 24, 1950, to June 24, 1950, inclusive, or, in case none prevailed during this period or if those prevailing during this period were not generally representative because of abnormal or seasonal market conditions or other cause, then those prevailing on the nearest date on which, in the judgment of the President, they are generally representative. The President shall also give due consideration to the national effort to achieve maximum production in furtherance of the objectives of this act. From time to time the President shall adjust ceilings, and in determining and adjusting ceilings on prices with respect to materials and services, he shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such material or service, including the following: Speculative fluctuations, general increases or decreases in cost of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the material or by persons performing the service, subsequent to June 24, 1950: *Provided*, That no regulation or order shall contain any provision requiring the determination of costs otherwise than in accordance with established accounting methods. In stabilizing and adjusting wages, salaries, or other compensation, the President shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such wages, salaries, or other compensation. Any regulation or order under this title shall be such as in the judgment of the President will be generally fair and equitable and will effectuate the purposes of this title, and shall be accompanied by a statement of considerations involved in the issuance of such regulation or order.

"(e) (1) Regulations and orders issued under this title shall apply regardless of any obligation heretofore or hereafter incurred, except as provided in this subsection.

"(2) No wage, salary, or other compensation shall be stabilized at less than that paid during the period from May 24, 1950, to June 24, 1950, inclusive. No action shall be taken under authority of this title with respect to wages, salaries, or other compensation which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the Labor Management Relations Act, 1947, or any other law of the United States, or of any State, the District of Columbia, or any Territory or possession of the United States.

"(3) No ceiling shall be established or maintained for any agricultural commodity below the higher of the following prices: (1) The parity price for such commodity, as determined by the Secretary of Agriculture in accordance with the Agricultural Adjustment Act of 1938, as amended, and adjusted by the

Secretary of Agriculture for grade, location, and seasonal differentials, or (ii) the highest price received by producers during the period from May 24, 1950, to June 24, 1950, as determined by the Secretary of Agriculture and adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or (iii) if for the year 1950 a producer normally does not market a commodity during the period from May 24, 1950, to June 24, 1950, the highest price received by such producer during the first 30-day period following May 24, 1950, in which such commodity is normally marketed; and no ceilings shall be established or maintained hereunder for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the higher price therefor specified in this subsection: *Provided*, That in establishing and maintaining ceilings on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing. Whenever a ceiling has been established under this title with respect to any agricultural commodity, or any commodity processed or manufactured in whole or in substantial part therefrom, the President from time to time shall adjust such ceiling in order to make appropriate allowances for substantial reduction in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such agricultural commodity. Nothing contained in this act shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such act. Ceiling prices to producers for milk used for distribution as fluid milk in any marketing area not under a marketing agreement, license, or order issued under the Agricultural Marketing Agreement Act of 1937, as amended, shall not be less than (1) parity prices for such milk, or (2) prices which in such marketing areas will bear the same ratio to the average farm price of milk sold wholesale in the United States as the prices for such fluid milk in such marketing areas bore to such average farm price during the base period, as determined by the Secretary of Agriculture, whichever is higher: *Provided, however*, That whenever the Secretary of Agriculture finds that the prices so fixed are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in any such marketing area, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest, which prices when so determined shall be used as the ceiling prices to producers for fluid milk in such marketing areas.

"(f) The authority conferred by this title shall not be exercised with respect to the following:

"(i) Rentals for real property;

"(ii) Rates or fees charged for professional services;

"(iii) Prices or rentals (a) for materials furnished for publication by any press association or feature service, (b) books, magazines, motion pictures, periodicals, or newspapers, other than as waste or scrap; or rates charged by any person in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting or television station, a motion-picture

or other theater enterprise, or outdoor advertising facilities;

"(iv) Rates charged by any person in the business of selling or underwriting insurance;

"(v) Rates charged by any common carrier or other public utility;

"(vi) Margin requirements on any commodity exchange.

"(g) The President, in or by any regulation or order, may provide exemptions for any materials or services, or transactions therein, or types of employment, with respect to which he finds that (1) such exemption is necessary to promote the national defense; or (2) it is unnecessary that ceilings be applicable to such materials or services, or transactions therein, or that compensation for such types of employment be stabilized, in order to effectuate the purposes of this title.

"Sec. 203. The powers granted in this title shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, except where such action is affirmatively found by the President to be necessary to prevent circumvention or evasion of any regulation, order, or requirement under this title.

"Sec. 204. In carrying out the provisions of this title, the President shall, so far as practicable, advise and consult with, and establish and utilize committees of, representatives of persons substantially affected by regulations or orders issued hereunder.

"Sec. 205. (a) It shall be unlawful, regardless of any obligation heretofore or hereafter entered into, for any person to sell or deliver, or in the regular course of business or trade to buy or receive, any material or service, or otherwise to do or omit to do any act, in violation of this title or of any regulation, order, or requirement issued thereunder, or to offer solicit, attempt, or agree to do any of the foregoing.

"(b) No employer shall pay, and no employee shall receive, any wage, salary, or other compensation in contravention of any regulation or order promulgated by the President under this title. The President shall also prescribe the extent to which any wage, salary, or compensation payment made in contravention of any such regulation or order shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

"Sec. 206. Nothing in this title shall be construed to require any person to sell any material or service, or to perform personal services.

"Sec. 207. (a) At any time within 6 months after the effective date of any regulation or order under this title, or, in the case of new grounds arising after the effective date of any such regulation or order, within 6 months after such new grounds arise, any person subject to any provision of such regulation or order, may, in accordance with regulations to be prescribed by the President, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of any such regulation or order may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the President. Within a reasonable time after the filing of any protest under this section, but in no event more than 30 days after such filing, the President shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the President denies any such protest in whole or in part, he shall inform the protestant of

the grounds upon which such decision is based, and of any economic data and other facts of which the President has taken official notice.

"(b) In the administration of this title the President may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 705 of title VII of this act.

"(c) Any proceedings under this section may be limited by the President to the filing of affidavits, or other written evidence, and the filing of briefs: *Provided, however*, That upon the request of the protestant, any protest filed in accordance with subsection (a) of this section shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the United States designated by the President in accordance with regulations to be promulgated by him. Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants and upon a showing that material facts would be adduced thereby, subpoenas shall issue to procure the evidence of persons, or the production of documents, or both. The President shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the President. The protestant shall be informed of the recommendations of the board and, in the event that the President rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection.

"(d) Any protest filed under this section shall be granted or denied by the President, or granted in part and the remainder of it denied within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the President in disposing of his protest may petition the Emergency Court of Appeals for relief; and such court shall have jurisdiction by appropriate order to require the President to dispose of such protest within such time as may be fixed by the court. If the President does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period.

"Sec. 208. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within 30 days after such denial, file a complaint with the Emergency Court of Appeals specifying his objections and praying that the regulation or order protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the President, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the President has taken official notice. Upon the filing of such complaint the court shall have exclusive jurisdiction to set aside such regulation or order, in whole or in part, to dismiss the complaint, or to remand the proceeding: *Provided*, That the regulation or order may be modified or rescinded by the President at any time notwithstanding the pendency of such complaint. No objection to such regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest of such evidence and shall be contained in the transcript. If application is made to the court by either

party for leave to introduce additional evidence which was either offered to the President and not admitted, or which could not reasonably have been offered to the President or included by the President in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the President. The President shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation or order as a result thereof; except that on request by the President, any such evidence shall be presented directly to the court.

"(b) No such regulation or order shall be enjoined or set aside, in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation or order is not in accordance with law, or is arbitrary or capricious. The effectiveness of a judgment of the court enjoining or setting aside, in whole or in part, any such regulation or order shall be postponed until the expiration of 30 days from the entry thereof, except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (d) within such 30 days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court.

"(c) The Emergency Court of Appeals is hereby continued for the purpose of the exercise of the jurisdiction granted by this title, with the powers herein specified, together with the powers heretofore granted by law to such court which are not inconsistent with the provisions of this title. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this title; except that the court shall not have power to issue any temporary restraining order or interlocutory decree staying or restraining, in whole or in part, the effectiveness of any regulation, order, price schedule, or wage, salary, or other compensation schedule issued under this title. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this title.

"(d) Within 30 days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order issued under this title, and of any provision of any such regulation or order. Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation or order, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this title authorizing the issuance of such regulations or orders, or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

"Sec. 209. (a) Whenever in the judgment of the President any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 205 of this title, he may make application to the ap-

propriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the President that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

"(b) Any person who willfully violates any provision of section 205 of this title shall be guilty of a misdemeanor and shall, upon conviction thereof, be subject to a fine of not more than \$10,000, or to imprisonment for not more than 1 year, or both. Whenever the President has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

"(c) If any person selling any material or service violates a regulation or order prescribing a ceiling or ceilings, the person who buys such material or service for use or consumption other than in the course of trade or business may, within 1 year from the date of the occurrence of the violation, except as hereinafter provided, bring an action against the seller on account of the overcharge. In any action under this subsection, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is greater: (1) such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, but in no event shall such amount exceed the amount of the overcharge, or the overcharges, plus \$10,000, or (2) an amount not less than \$25 nor more than \$50 as the court in its discretion may determine: *Provided, however, That such amount shall be the amount of the overcharge, or overcharges, if the defendant proves that the violation of the regulation or order in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation. For the purposes of this section the word "overcharge" shall mean the amount by which the consideration exceeds the applicable ceiling. If any person selling any material or service violates a regulation or order prescribing a ceiling or ceilings and the buyer either fails to institute an action under this subsection within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the President may institute such action on behalf of the United States within such 1-year period. If such action is instituted by the President, the buyer shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the President, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered. The President may not institute any action under this subsection on behalf of the United States—*

"(1) If the violation arose because the person selling the material or service acted upon and in accordance with the written advice and instructions of the President or any official authorized to act for him;

"(2) If the violation arose out of the sale of any material or service to any agency of the Government, and such sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

"Sec. 210. As used in this title—

"(a) The word 'person' includes an individual, corporation, partnership, association, or any other organized group of per-

sons, or legal successor or representative of the foregoing, and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of any of the foregoing: *Provided, That no punishment provided by this act shall apply to the United States, or to any such government, political subdivision, or government agency.*

"(b) The word 'materials' shall include raw materials, articles, commodities, products, supplies, components, technical information, and processes.

"(c) The word 'facilities' shall not include farms, churches or other places of worship, or private dwelling houses.

"(d) The term 'national defense' means the operations and activities of the Armed Forces, the Atomic Energy Commission, or any other Government department or agency directly or indirectly and substantially concerned with the national defense, or operations or activities in connection with the Mutual Defense Assistance Act of 1949, as amended.

"(e) The words 'wages, salaries, and other compensation' shall include all forms of remuneration to employees by their employers for personal services, including, but without limitation, vacation and holding payments, night shift and other bonuses, incentive payments, year-end bonuses, employer contributions to or payments of insurance or welfare benefits, employer contributions to a pension fund or annuity, payments in kind, and premium overtime payments."

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 393, nays 3, not voting 34, as follows:

[Roll No. 228]

YEAS—393

Abbitt	Burke	Doughton
Abernethy	Burleson	Douglas
Addonizio	Burnside	Doyle
Albert	Burton	Durham
Allen, Calif.	Byrne, N. Y.	Eberharter
Allen, Ill.	Byrnes, Wis.	Elliott
Allen, La.	Camp	Ellsworth
Andersen	Canfield	Elston
H. Carl	Cannon	Engel, Mich.
Anderson, Calif.	Carlyle	Engle, Calif.
Andresen	Carnahan	Evins
August H.	Carroll	Fallon
Andrews	Case, N. J.	Feighan
Angell	Case, S. Dak.	Fellows
Arends	Cavalcante	Fenton
Aspinall	Celler	Fernandez
Auchincloss	Chatham	Fisher
Bailey	Chelf	Flood
Barden	Chesney	Fogarty
Baring	Chiperfield	Forand
Barrett, Pa.	Christopher	Ford
Bates, Ky.	Chudoff	Frazier
Bates, Mass.	Clemente	Fugate
Battle	Cole, Kans.	Fulton
Beall	Cole, N. Y.	Furcolo
Beckworth	Colmer	Gamble
Bennett, Fla.	Combs	Garmatz
Bennett, Mich.	Cooley	Gary
Bentsen	Cooper	Gathings
Biemiller	Corbett	Gavin
Bishop	Cotton	Gilmer
Blackney	Coudert	Golden
Blatnik	Cox	Goodwin
Boggs, Del.	Crawford	Gordon
Boggs, La.	Crook	Gore
Bolling	Crosser	Gorski
Bolton, Md.	Cunningham	Graham
Bolton, Ohio	Curtis	Granahan
Bonner	Davenport	Granger
Bosone	Davies, N. Y.	Grant
Boykin	Davis, Ga.	Green
Bramblett	Davis, Tenn.	Gregory
Breen	Davis, Wis.	Gross
Brehm	Dawson	Gull
Brooks	Deane	Hagen
Brown, Ga.	DeGraffenried	Hale
Brown, Ohio	Delaney	Hall
Bryson	D'Ewart	Leonard W.
Buchanan	Dollinger	Halleck
Buckley, Ill.	Dolliver	Hand
Buckley, N. Y.	Dondero	Harden
Burdick	Donohue	Hardy

Harris
Harrison
Hart
Harvey
Havenner
Hays, Ark.
Hays, Ohio
Hébert
Hedrick
Heffernan
Heller
Herlong
Herter
Heseltan
Hill
Hobbs
Hoeven
Hoffman, Ill.
Hoffman, Mich.
Holifield
Holmes
Hope
Horan
Howell
Huber
Hull
Irving
Jackson, Calif.
Jackson, Wash.
Jacobs
James
Javits
Jenkinson
Jenkins
Jennings
Jensen
Jonas
Jones, Ala.
Jones, Mo.
Jones, N. C.
Judd
Karst
Karsten
Kean
Kearney
Kearns
Keating
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
Ker
Kilburn
Kilday
King
Kirwan
Klein
Kruse
Kunkel
Lane
Lanham
Larcade
LeCompte
LeFevre
Lichtenwalter
Lind
Linehan
Lodge
Love
Lucas
Lyle
Lynch
McCarthy
McConnell
McCormack
McCulloch
McDonough
McGrath
McGregor
McGuire
McKinnon

McMillan, S. C.
McSweeney
Mack, Ill.
Mack, Wash.
Macy
Madden
Maddon
Mahon
Mansfield
Marsalis
Marshall
Martin, Iowa
Martin, Mass.
Morrow
Meyer
Michener
Miles
Miller, Calif.
Miller, Md.
Miller, Nebr.
Mitchell
Monroney
Morgan
Morris
Morrison
Morton
Moulder
Muller
Murdock
Murray, Tenn.
Nelson
Nicholson
Nixon
Noland
Norblad
Norrell
Norton
O'Brien, Ill.
O'Brien, Mich.
O'Hara, Ill.
O'Hara, Minn.
O'Konski
O'Neill
O'Sullivan
O'Toole
Pace
Passman
Patman
Patten
Patterson
Perkins
Peterson
Pfeifer
Joseph L.
Philbin
Phillips, Calif.
Phillips, Tenn.
Pickett
Plumley
Poage
Polk
Potter
Poulson
Powell
Preston
Price
Priest
Rabaut
Rains
Ramsay
Rankin
Redden
Reed, Ill.
Reed, N. Y.
Rees
Rhodes
Ribicoff
Rich
Richards
Riehlman
Robeson

Rodino
Rogers, Fla.
Rogers, Mass.
Rooney
Roosevelt
Sadlak
St. George
Sanborn
Sasser
Saylor
Scott, Hardie
Scrivner
Scudder
Secrest
Shafer
Shelley
Sheppard
Short
Sikes
Simpson, Ill.
Simpson, Pa.
Sims
Smathers
Smith, Va.
Smith, Wis.
Spence
Staggers
Stanley
Steed
Stefan
Stigler
Stockman
Sullivan
Sutton
Taber
Tackett
Tauriello
Taylor
Teague
Thomas
Thompson
Thornberry
Tollefson
Towe
Trimble
Underwood
Van Zandt
Velde
Vinson
Vors
Vursell
Wadsworth
Wagner
Walsh
Walter
Welch
Wendel
Wheeler
Whitaker
White, Calif.
Whitten
Whittington
Wickersham
Wier
Wigglesworth
Willis
Wilson, Ind.
Wilson, Okla.
Wilson, Tex.
Withrow
Wolcott
Wolverton
Wood
Woodhouse
Woodruff
Yates
Young
Zablocki

NAYS—3

Clevenger Winn Marcantonio

NOT VOTING—34

Barrett, Wyo.
Bulwinkle
Dague
Denton
Dingell
Easton
Gillette
Gossett
Hall
Edwin Arthur
Hare
Hinshaw
Johnson

Keefe
Kennedy
Latham
McMillen, Ill.
Mason
Murphy
Murray, Wis.
Pfeiffer
William L.
Quinn
Regan
Rivers

Sabath
Sadowski
Scott
Hugh D., Jr.
Smith, Kans.
Smith, Ohio
Talle
White, Idaho
Widnall
Williams
Winstead

So the amendment was agreed to.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Sabath with Mr. Latham.

Mr. Sadowski with Mr. William L. Pfeiffer.
Mr. Murphy with Mr. Eaton.
Mr. Magee with Mr. Hugh D. Scott, Jr.
Mr. Denton with Mr. Edwin Arthur Hall.
Mr. Rivers with Mr. Smith of Ohio.
Mr. Hare with Mr. Talle.
Mr. Dingell with Mr. Mason.
Mr. Williams with Mr. Barrett of Wyoming.
Mr. Winstead with Mr. Smith of Kansas.
Mr. Regan with Mr. McMillen of Illinois.
Mr. Gossett with Mr. Hinshaw.
Mr. Kennedy with Mr. Widnall.
Mr. White of Idaho with Mr. Gillette.
Mr. Bulwinkle with Mr. Murray of Wisconsin.

Mr. NICHOLSON changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment by Mr. WOLCOTT: On page 38, line 2, after the words "real estate", insert the word "construction."

On page 38, line 22, after the words "real estate", insert the word "construction."

On page 39, line 3, after the word "any", insert "consumer or real estate construction."

On page 39, line 5, after the word "any", insert "such"; on line 8, after the word "any", insert "such"; on line 11, after the word "any", insert "such";

On page 41, line 23, strike out all of paragraph (2) and insert in lieu thereof the following:

"(1) 'Real estate construction credit' means any credit, hereafter extended, which (i) is wholly or partly secured by, (ii) is for the purpose of purchasing or carrying, (iii) is for the purpose of financing, or (iv) involves a right to acquire or use, new construction on real property or real property on which there is new construction. As used in this paragraph the term 'new construction' means any structure, or any major addition or major improvement to a structure, which has not been begun before 12 o'clock meridian August 3, 1950. As used in this paragraph the term 'real property' includes leasehold and other interests therein. Notwithstanding the foregoing provisions of this paragraph, the term 'real estate construction credit' shall not include any loan or loans made, insured or guaranteed by any department, independent establishment or agency in the executive branch of the United States, or by any wholly owned Government corporation, or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended.

The SPEAKER. The question is on the amendment.

Mr. SPENCE. Mr. Speaker, a vote "no" is against the amendment and a vote "aye" is for the amendment?

The SPEAKER. That is correct.

Mr. SPENCE. There seems to be some doubt about that.

Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 202, nays 188, answered "present" 5, not voting 35, as follows:

[Roll No. 229]

YEAS—202

Abbott
Abernethy
Allen, Calif.
Allen, Ill.
Andersen
H. Carl
Anderson, Calif.
Andersen
August H.

Andrews
Angell
Arends
Auchincloss
Barden
Bates, Mass.
Beall
Bennett, Mich.
Bentsen

Bishop
Blackney
Boggs, Del.
Bolton, Md.
Bolton, Ohio
Boykin
Bramblett
Brown, Ga.
Brown, Ohio

Burleson
Burton
Byrnes, Wis.
Camp
Carlyle
Case, S. Dak.
Chatham
Chipherfield
Clevenger
Cole, Kans.
Cole, N. Y.
Colmer
Cooley
Cotton
Coudert
Cox
Crawford
Cunningham
Curtis
Davis, Ga.
Davis, Tenn.
Davis, Wis.
D'Ewart
Dolliver
Dondero
Doughton
Durham
Ellsworth
Elston
Engel, Mich.
Fallon
Fellows
Fenton
Fernandez
Fisher
Ford
Gamble
Gathings
Gavin
Golden
Goodwin
Graham
Grant
Gross
Guill
Gwinn
Hagen
Hale
Hall
Edwin Arthur
Hall
Leonard W.
Halleck
Hand
Harden
Harris
Harvey
Hays, Ohio
Hébert
Hedrick

Herlong
Herter
Hill
Hoeven
Hoffman, Ill.
Hoffman, Mich.
Holmes
Hope
Horan
Jackson, Calif.
James
Jenkinson
Jenkins
Jennings
Jensen
Jonas
Jones, N. C.
Judd
Kearney
Kearns
Keating
Kerr
Kilburn
Kilday
Kunkel
LeCompte
LeFevre
Lichtenwalter
Love
Lucas
McConnell
McCulloch
McDonough
McGregor
McMillan, S. C.
Mack, Wash.
Macy
Mahon
Martin, Iowa
Martin, Mass.
Morrow
Meyer
Michener
Miles
Miller, Md.
Miller, Nebr.
Morton
Murray, Tenn.
Nelson
Nicholson
Nixon
Norblad
Norrell
O'Hara, Minn.
O'Konski
Pace
Passman
Patten
Patterson
Phillips, Calif.

Pickett
Plumley
Poage
Potter
Poulson
Preston
Rankin
Redden
Reed, Ill.
Reed, N. Y.
Rees
Rich
Richards
Riehlman
Robeson
Rogers, Fla.
Rogers, Mass.
Sadlak
St. George
Sanborn
Scott, Hardie
Scrivner
Scudder
Secrest
Shafer
Short
Simpson, Ill.
Simpson, Pa.
Smathers
Smith, Va.
Smith, Wis.
Stanley
Stefan
Stockman
Taber
Tackett
Taylor
Teague
Thompson
Tollefson
Towe
Van Zandt
Velde
Vors
Vursell
Wadsworth
Welch
Wendel
Wheeler
Whitten
Whittington
Widnall
Wigglesworth
Wilson, Ind.
Wilson, Tex.
Wolcott
Wolverton
Wood
Woodruff

NAYS—188

Dawson
Deane
DeGraffenried
Delaney
Dollinger
Donohue
Douglas
Doyle
Eberharter
Elliott
Engle, Calif.
Evins
Feighan
Flood
Fogarty
Forand
Frazier
Fugate
Furcolo
Garmatz
Gary
Gilmer
Gordon
Gore
Gorski
Granahan
Granger
Green
Gregory
Hardy
Harrison
Hart
Havenner
Hays, Ark.
Heller
Heseltan
Hobbs
Holifield
Huber
Hull
Irving
Jackson, Wash.
Jacobs
Javits

Jones, Ala.
Jones, Mo.
Karst
Karsten
Kean
Kee
Kelley, Pa.
Kelly, N. Y.
King
Kirwan
Klein
Kruse
Lane
Lanham
Larcade
Lind
Linehan
Lodge
Lyle
Lynch
McCarthy
McCormack
McGrath
McGuire
McKinnon
McSweeney
Mack, Ill.
Madden
Mansfield
Marcantonio
Marshall
Miller, Calif.
Mills
Mitchell
Monroney
Morgan
Morris
Morrison
Moulder
Muller
Murdock
Noland
Norton

O'Brien, Ill.	Rhodes	Thornberry
O'Brien, Mich.	Ribicoff	Trimble
O'Hara, Ill.	Rodino	Underwood
O'Neill	Rooney	Vinson
O'Sullivan	Roosevelt	Wagner
O'Toole	Sasser	Walsh
Patman	Saylor	Walter
Perkins	Shelley	Welch
Peterson	Sheppard	Whitaker
Pfeifer	Sikes	White, Calif.
Joseph L.	Sims	Wickersham
Philbin	Spence	Wier
Phillips, Tenn.	Staggers	Willis
Polk	Steed	Wilson, Okla.
Powell	Stigler	Withrow
Price	Sullivan	Woodhouse
Rabaut	Sutton	Yates
Rains	Tauriello	Young
Ramsay	Thomas	Zablocki

ANSWERED "PRESENT"—5

Buckley, N. Y.	Fulton	Keogh
Corbett	Heffernan	

NOT VOTING—35

Barrett, Wyo.	Keefe	Rivers
Brehm	Kennedy	Sabath
Bulwinkle	Latham	Sadowski
Dague	McMillen, Ill.	Scott
Denton	Magee	Hugh D., Jr.
Dingell	Mason	Smith, Kans.
Eaton	Murphy	Smith, Ohio
Gillette	Murray, Wis.	Talle
Gossett	Pfeiffer	White, Idaho
Hare	William L.	Williams
Hinshaw	Priest	Winstead
Howell	Quinn	
Johnson	Regan	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Keogh for, with Mr. Sabath against.
Mr. Buckley of New York for, with Mr. Dingell against.
Mr. Heffernan for, with Mr. Sadowski against.
Mr. Mason for, with Mr. Fulton against.
Mr. Smith of Ohio for, with Mr. Corbett against.

Additional general pairs:

Mr. Denton with Mr. McMillan of South Carolina.
Mr. Murphy with Mr. Eaton.
Mr. Kennedy with Mr. Barrett of Wyoming.
Mr. Magee with Mr. Smith of Kansas.
Mr. Williams with Mr. Hugh D. Scott, Jr.
Mr. Winstead with Mr. Hinshaw.
Mr. Rivers with Mr. Latham.
Mr. Regan with Mr. Brehm.
Mr. Hare with Mr. Talle.
Mr. Howell with Mr. Johnson.
Mr. Gossett with Mr. William L. Pfeiffer.
Mr. White of Idaho with Mr. Keefe.

Mr. KEOGH. Mr. Speaker, I have a live pair with the gentleman from Illinois, Mr. SABATH. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. BUCKLEY of New York. Mr. Speaker, I have a live pair with the gentleman from Michigan, Mr. DINGELL. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. HEFFERNAN. Mr. Speaker, I have a live pair with the gentleman from Michigan, Mr. SADOWSKI. If he were present, he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. CORBETT. Mr. Speaker, I have a live pair with the gentleman from Ohio, Mr. SMITH. If he were present, he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. FULTON. Mr. Speaker, I have a live pair with the gentleman from Illinois, Mr. MASON. If he were present, he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. HART changed his vote from "yea" to "nay."

Mr. HERLONG changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 42, line 5, strike out all of paragraph (3) and on page 39, line 3, after the word "any", insert "consumer or real estate."

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 173, nays 224, not voting 33, as follows.

[Roll No. 230]

YEAS—173

Abbott	Guill	Nixon
Abernethy	Gwinn	Norblad
Allen, Calif.	Hagen	Norrell
Allen, Ill.	Hale	O'Hara, Minn.
Andersen	Hall	O'Konski
H. Carl	Edwin Arthur	Passman
Anderson, Calif.	Hall	Patterson
Andresen	Leonard W.	Phillips, Calif.
August H.	Halleck	Pickett
Arends	Hand	Plumley
Auchincloss	Harden	Poage
Barden	Harvey	Potter
Bates, Mass.	Hébert	Poulson
Beall	Herlong	Preston
Bennett, Mich.	Herter	Rankin
Bentsen	Heseltun	Reed, Ill.
Bishop	Hill	Reed, N. Y.
Blackney	Hoeven	Rees
Boggs, Del.	Hoffman, Ill.	Rich
Bolton, Ohio	Hoffman, Mich.	Riehlman
Boykin	Holmes	Robeson
Bramblett	Hope	Rogers, Mass.
Brown, Ohio	Horan	Sadiak
Burleson	James	St. George
Byrnes, Wis.	Jenison	Sanborn
Camp	Jenkins	Scott, Hardie
Carlyle	Jennings	Scrivner
Case, S. Dak.	Jensen	Scudder
Chiperfield	Jonas	Shafer
Clevenger	Judd	Short
Cole, Kans.	Kearney	Simpson, Ill.
Cole, N. Y.	Kearns	Simpson, Pa.
Cooley	Kilburn	Smith, Va.
Cotton	Kilday	Smith, Wis.
Coudert	Kunkel	Stanley
Cox	LeCompte	Stefan
Crawford	LeFevre	Stockman
Cunningham	Lichtenwalter	Taber
Curtis	Lovre	Taylor
Davis, Ga.	Lucas	Teague
Davis, Wis.	McConnell	Tollefson
D'Ewart	McCulloch	Towe
Dolliver	McDonough	Van Zandt
Dondero	McGregor	Velde
Ellsworth	Mack, Wash.	Vorys
Elston	Macy	Vursell
Engel, Mich.	Martin, Iowa	Wadsworth
Fellows	Martin, Mass.	Weichel
Fenton	Merrow	Werdel
Fisher	Meyer	Wheeler
Ford	Michener	Whittington
Gamble	Miller, Md.	Widnall
Gathings	Miller, Nebr.	Wigglesworth
Gavin	Morton	Wilson, Ind.
Golden	Murray, Tenn.	Wilson, Tex.
Goodwin	Nelson	Wolcott
Graham	Nicholson	Wolverton
Grant		Wood
Gross		Woodruff

NAYS—224

Addonizio	Aspinall	Battle
Albert	Bailey	Beckworth
Allen, La.	Baring	Bennett, Fla.
Andrews	Barrett, Pa.	Biemiller
Angell	Bates, Ky.	Blatnik

Boggs, La.	Granger	Noland
Bolling	Green	Norton
Bolton, Md.	Gregory	O'Brien, Ill.
Bonner	Hardy	O'Brien, Mich.
Bosone	Harris	O'Hara, Ill.
Breen	Harrison	O'Neill
Brooks	Hart	O'Sullivan
Brown, Ga.	Havenner	O'Toole
Bryson	Hays, Ark.	Face
Buchanan	Hays, Ohio	Fatman
Buckley, Ill.	Hedrick	Fatten
Buckley, N. Y.	Heffernan	Perkins
Burdick	Heller	Peterson
Burke	Hobbs	Pfeifer
Burnside	Hollifield	Joseph L.
Burton	Howell	Philbin
Byrne, N. Y.	Huber	Phillips, Tenn.
Canfield	Hull	Polk
Cannon	Irving	Powell
Carnahan	Jackson, Wash.	Price
Carroll	Jacobs	Priest
Case, N. J.	Javits	Rabaut
Cavalcante	Jones, Ala.	Rains
Celler	Jones, Mo.	Ramsay
Chatham	Jones, N. C.	Redden
Chelf	Karst	Rhodes
Chesney	Karsten	Ribicoff
Christopher	Keating	Richards
Chudoff	Kee	Rodino
Clemente	Kelley, Pa.	Rogers, Fla.
Colmer	Kelly, N. Y.	Rooney
Combs	Keogh	Roosevelt
Cooper	Kerr	Sasser
Corbett	King	Saylor
Crook	Kirwan	Secrest
Crosser	Klein	Shelley
Davenport	Kruse	Sheppard
Davis, N. Y.	Lane	Sikes
Davis, Tenn.	Lanham	Sims
Dawson	Larcade	Smathers
Deane	Lind	Spence
DeGraffenried	Linehan	Staggers
Delaney	Lodge	Steed
Dollinger	Lyle	Stigler
Donohue	Lynch	Sullivan
Doughton	McCarthy	Sutton
Douglas	McCormack	Tackett
Doyle	McGrath	Tauriello
Durham	McGuire	Thomas
Eberharter	McKinnon	Thompson
Elliott	McMillan, S. C.	Thornberry
Engle, Calif.	McSweeney	Trimble
Evins	Mack, Ill.	Underwood
Fallon	Madden	Vinson
Feighan	Mahon	Wagner
Fernandez	Mansfield	Walsh
Flood	Marcantonio	Walter
Fogarty	Marsalis	Welch
Forand	Marshall	Whitaker
Frazier	Miles	White, Calif.
Fugate	Miller, Calif.	Whitten
Fulton	Mills	Wickersham
Furcolo	Mitchell	Wier
Garmatz	Monroney	Willis
Gary	Morgan	Wilson, Okla.
Gilmer	Morris	Withrow
Gordon	Morrison	Woodhouse
Gore	Moulder	Yates
Gorski	Multer	Young
Granahan	Murdoch	Zablocki

NOT VOTING—33

Barrett, Wyo.	Keefe	Rivers
Brehm	Kennedy	Sabath
Bulwinkle	Latham	Sadowski
Dague	McMillen, Ill.	Scott
Denton	Magee	Hugh D., Jr.
Dingell	Mason	Smith, Kans.
Eaton	Murphy	Smith, Ohio
Gillette	Murray, Wis.	Talle
Gossett	Pfeiffer	White, Idaho
Hare	William L.	Williams
Hinshaw	Quinn	Winstead
Johnson	Regan	

So the amendment was rejected.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Murphy with Mr. William L. Pfeiffer.
Mr. Magee with Mr. Smith of Ohio.
Mr. Kennedy with Mr. Talle.
Mr. Rivers with Mr. Gillette.
Mr. Regan with Mr. Smith of Kansas.
Mr. Hare with Mr. Eaton.
Mr. Denton with Mr. Brehm.
Mr. Dingell with Mr. Barrett of Wyoming.
Mr. Gossett with Mr. Latham.
Mr. Sabath with Mr. McMillen of Illinois.

Mr. Sadowski with Mr. Mason.
Mr. Williams with Mr. Hugh D. Scott, Jr.
Mr. Winstead with Mr. Johnson.
Mr. White of Idaho with Mr. Keefe.

MESSRS. RAINS and BUCKLEY of New York changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On pages 44, 45 and 46; strike out all of section 411.

The SPEAKER. The question is on the amendment.

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 198, nays 194, answered "present" 3, not voting 35, as follows:

[Roll No. 231]
YEAS—198

Abbott	Gavin	Miller, Nebr.
Abernethy	Golden	Morrison
Allen, Calif.	Goodwin	Murray, Tenn.
Allen, Ill.	Gore	Nicholson
Andersen,	Graham	Nixon
H. Carl	Grant	Norrell
Anderson, Calif.	Gull	O'Hara, Minn.
Andresen,	Gwinn	Pace
August H.	Hagen	Passman
Andrews	Hale	Patterson
Arends	Hall	Phillips, Calif.
Auchincloss	Edwin Arthur	Pickett
Barden	Hall	Plumley
Bates, Mass.	Leonard W.	Poage
Battle	Halleck	Poulson
Beall	Harden	Preston
Biehopp	Hardy	Rains
Blackney	Harris	Rankin
Boggs, Del.	Harrison	Redden
Boggs, La.	Harvey	Reed, Ill.
Bolton, Md.	Hays, Ark.	Reed, N. Y.
Bolton, Ohio	Hébert	Rees
Bonner	Herlong	Rich
Boykin	Herter	Richards
Bramblett	Hill	Riehlman
Brown, Ga.	Hobbs	Robeson
Brown, Ohio	Hoeven	Rogers, Fla.
Bryson	Hoffman, Mich.	Rogers, Mass.
Burleson	Holmes	Sadlak
Burton	Hope	St. George
Byrnes, Wis.	Horan	Sanborn
Camp	Jackson, Calif.	Saylor
Carlyle	James	Scrivner
Case, S. Dak.	Jenison	Scudder
Chatham	Jenkins	Shafer
Chipherfield	Jennings	Short
Clevenger	Jensen	Simpson, Ill.
Cole, Kans.	Jonas	Simpson, Pa.
Colmer	Jones, Ala.	Sims
Cooley	Jones, Mo.	Smathers
Cooper	Jones, N. C.	Smith, Va.
Cotton	Judd	Smith, Wis.
Cox	Kearney	Stanley
Crawford	Kearns	Stefan
Cunningham	Kerr	Stockman
Curtis	Kilburn	Sutton
Davis, Ga.	Kilday	Taber
Davis, Tenn.	Larcade	Tackett
Davis, Wis.	LeCompte	Taylor
Deane	LeFevre	Teague
DeGraffenried	Lichtenwalter	Van Zandt
D'Ewart	Lovre	Velde
Dolliver	Lucas	Vursell
Dondero	Lyle	Wadsworth
Doughton	McConnell	Welch
Durham	McCulloch	Werdell
Elliott	McDonough	Wheeler
Ellsworth	McGregor	Whitten
Elston	McMillan, S. C.	Whittington
Engel, Mich.	Mack, Wash.	Wigglesworth
Fellows	Macy	Willis
Fenton	Mahon	Wilson, Ind.
Fisher	Martin, Iowa	Wilson, Tex.
Frazier	Martin, Mass.	Wolcott
Fugate	Morrow	Wood
Gamble	Meyer	Woodruff
Gary	Michener	
Gathings	Miller, Md.	

NAYS—194

Addonizio	Gorski	Norblad
Albert	Granahan	Norton
Allen, La.	Granger	O'Brien, Ill.
Aspinall	Green	O'Brien, Mich.
Bailey	Gregory	O'Hara, Ill.
Baring	Gross	O'Konski
Barrett, Pa.	Hand	O'Neill
Bates, Ky.	Hart	O'Sullivan
Beckworth	Havener	O'Toole
Bennett, Fla.	Hays, Ohio	Patman
Bennett, Mich.	Hedrick	Patten
Bentsen	Heffernan	Perkins
Biemiller	Heller	Peterson
Blatnik	Heseltun	Pfeifer,
Bolling	Holifield	Joseph L.
Bosone	Howell	Philbin
Breen	Huber	Phillips, Tenn.
Brooks	Hull	Polk
Buchanan	Irving	Potter
Buckley, Ill.	Jackson, Wash.	Powell
Buckley, N. Y.	Jacobs	Price
Burdick	Javits	Priest
Burke	Karst	Rabaut
Burnside	Karsten	Ramsay
Byrne, N. Y.	Kean	Rhodes
Canfield	Kee	Ribicoff
Cannon	Kelley, Pa.	Rodino
Carnahan	Kelly, N. Y.	Rooney
Carroll	Keogh	Roosevelt
Case, N. J.	King	Sasser
Cavalcante	Kirwan	Scott, Hardie
Celler	Klein	Secret
Chief	Kruse	Shelley
Chesney	Kunkel	Sheppard
Christopher	Lane	Sikes
Chudoff	Lanham	Spence
Clemente	Lind	Staggers
Combs	Linehan	Steed
Corbett	Lodge	Stigler
Coudert	Lynch	Sullivan
Crook	McCarthy	Tauriello
Crosser	McCormack	Thomas
Davenport	McGrath	Thornberry
Davies, N. Y.	McGuire	Tollefson
Dawson	McKinnon	Towe
Delaney	McSweeney	Trimble
Dollinger	Mack, Ill.	Underwood
Donohue	Madden	Vinson
Douglas	Mansfield	Vorys
Doyle	Marcantonio	Wagner
Eberhart	Marsalis	Walsh
Engle, Calif.	Marshall	Walter
Evin	Miles	Welch
Fallon	Miller, Calif.	Whitaker
Feighan	Mills	White, Calif.
Fernandez	Mitchell	Wickersham
Flood	Monroney	Widnall
Fogarty	Morgan	Wier
Forand	Morris	Wilson, Okla.
Ford	Morton	Withrow
Fulton	Moulder	Wolverton
Furcolo	Multer	Woodhouse
Garmatz	Murdock	Yates
Gilmer	Nelson	Young
Gordon	Noland	Zablocki

ANSWERED "PRESENT"—3

Angell	Keating	Thompson
--------	---------	----------

NOT VOTING—35

Barrett, Wyo.	Johnson	Rivers
Brehm	Keefe	Sabath
Bulwinkle	Kennedy	Sadowski
Cole, N. Y.	Latham	Scott
Dague	McMillen, Ill.	Hugh D., Jr.
Denton	Magee	Smith, Kans.
Dingell	Mason	Smith, Ohio
Eaton	Murphy	Talle
Gillette	Murray, Wis.	White, Idaho
Gossett	Pfeiffer	Williams
Hare	William L.	Winstead
Hinshaw	Quinn	
Hoffman, Ill.	Regan	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Thompson for, with Mr. Sabath against.
Mr. Smith of Ohio for, with Mr. Keating against.

Mr. Murray of Wisconsin for, with Mr. Angell against.

Additional general pairs:

Mr. Murphy with Mr. Talle.
Mr. Magee with Mr. Hinshaw.
Mr. Dingell with Mr. Johnson.
Mr. Denton with Mr. Eaton.

Mr. Kennedy with Mr. Gillette.
Mr. Gossett with Mr. Brehm.
Mr. Sadowski with Mr. Cole of New York.
Mr. Regan with Mr. Barrett of Wyoming.
Mr. Hare with Mr. Latham.
Mr. Rivers with Mr. Mason.
Mr. Williams with Mr. McMillen of Illinois.
Mr. Winstead with Mr. William L. Pfeiffer.
Mr. White of Idaho with Mr. Dague.

Mr. CANNON changed his vote from "yea" to "nay."

Mr. MCGREGOR, Mrs. BOLTON of Ohio, and Mr. WEICHEL changed their vote from "nay" to "yea."

Mr. THOMPSON. Mr. Speaker, I have a live pair with the gentleman from Illinois, Mr. SABATH. If he were present, he would have voted "yea." I voted "yea." I withdraw my vote and vote "present."

Mr. ANGELL. Mr. Speaker, I have a live pair with the gentleman from Wisconsin, Mr. MURRAY. If he were present, he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. KEATING. Mr. Speaker, I have a live pair with the gentleman from Ohio, Mr. SMITH. If he were present, he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the committee substitute amendment as amended.

The committee substitute amendment as amended was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. NICHOLSON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. NICHOLSON. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. NICHOLSON moves to recommit the bill to the Committee on Banking and Currency for further study and action.

The SPEAKER. The question is on the motion to recommit.

Mr. NICHOLSON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 383, nays 12, answered "present" 1, not voting 34, as follows:

[Roll No. 232]
YEAS—383

Abbott	Andresen,	Baring
Abernethy	August H.	Barrett, Pa.
Addonizio	Andrews	Bates, Ky.
Albert	Angell	Bates, Mass.
Allen, Calif.	Arends	Battle
Allen, La.	Aspinall	Beall
Andersen,	Auchincloss	Beckworth
H. Carl	Bailey	Bennett, Fla.
Anderson, Calif.	Barden	Bennett, Mich.

Bentsen
Biemiller
Bishop
Blackney
Blatnik
Boggs, Del.
Boggs, La.
Bolling
Bolton, Md.
Bolton, Ohio
Bonner
Bosone
Boykin
Bramblett
Breen
Brehm
Brooks
Brown, Ga.
Brown, Ohio
Bryson
Buchanan
Buckley, Ill.
Buckley, N. Y.
Burdick
Burke
Burleson
Burnside
Burton
Byrne, N. Y.
Byrnes, Wis.
Camp
Canfield
Cannon
Carlyle
Carnahan
Carroll
Case, N. J.
Case, S. Dak.
Cavalcante
Celler
Chatham
Chelf
Chesney
Chiperfield
Christopher
Chudoff
Clemente
Cole, Kans.
Colmer
Combs
Cooley
Cooper
Corbett
Cotton
Coudert
Cox
Crook
CROSSER
Cunningham
Curtis
Davenport
Davies, N. Y.
Davis, Ga.
Davis, Tenn.
Davis, Wis.
Dawson
Deane
DeGraffenried
Delaney
D'Ewart
Dollinger
Dolliver
Dondero
Donohue
Doughton
Douglas
Doyle
Durham
Eberhart
Elliott
Ellsworth
Elston
Engel, Mich.
Engle, Calif.
Evins
Fallon
Felghan
Fellows
Fenton
Fernandez
Fisher
Flood
Fogarty
Forand
Ford
Frazier
Fugate
Fulton
Furcolo
Gamble
Garmatz
Gary
Gathings
Gavin
Gilmer

Golden
Goodwin
Gordon
Gorski
Graham
Granahan
Granger
Grant
Green
Gregory
Gross
Guill
Hagen
Hale
Hall
Hall, Edwin Arthur
Hall, Leonard W.
Halleck
Hand
Harden
Hardy
Harris
Harrison
Hart
Harvey
Havener
Hays, Ark.
Hays, Ohio
Hébert
Hedrick
Heffernan
Heller
Herlong
Herter
Heseltun
Hill
Hobbs
Hoeven
Hoffman, Ill.
Hollfield
Holmes
Hope
Horan
Howell
Huber
Hull
Irving
Jackson, Calif.
Jackson, Wash.
Jacobs
James
Javits
Jenkins
Jennings
Jensen
Jonas
Jones, Ala.
Jones, Mo.
Jones, N. C.
Judd
Karst
Karsten
Kean
Kearney
Kearns
Keating
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
Kerr
Kilburn
Kilday
King
Kirwan
Klein
Kruse
Kunkel
Lane
Lanham
Larcade
LeCompte
LeFevre
Lichtenwalter
Lind
Linehan
Lodge
Lovre
Lucas
Lyle
Lynch
McCarthy
McConnell
McCormack
McCulloch
McDonough
McGrath
McGregor
McGuire
McKinnon
McMillan, S. C.
McSweeney
Mack, Ill.

Mack, Wash.
Macy
Madden
Mahon
Mansfield
Marshall
Marshall, Iowa
Martin, Mass.
Marrow
Meyer
Michener
Miles
Miller, Calif.
Miller, Md.
Miller, Nebr.
Mills
Mitchell
Mounroney
Morgan
Morris
Morrison
Morton
Moulder
Multer
Murdock
Murray, Tenn.
Nelson
Nixon
Noland
Norblad
Norrell
Norton
O'Brien, Ill.
O'Brien, Mich.
O'Hara, Ill.
O'Hara, Minn.
O'Konski
O'Neill
O'Sullivan
O'Toole
Pace
Passman
Patman
Patten
Patterson
Perkins
Peterson
Pfeifer
Pfeiffer, Joseph L.
Phillips, Tenn.
Pickett
Plumley
Poage
Polk
Potter
Poulson
Powell
Preston
Price
Priest
Rabaut
Rains
Ramsay
Redden
Reed, Ill.
Reed, N. Y.
Rees
Rhodes
Ribicoff
Richards
Riehlman
Robeson
Rodino
Rogers, Fla.
Rogers, Mass.
Rooney
Roosevelt
Sadlak
St. George
Sasscer
Saylor
Scott, Hardie
Scrivner
Scudder
Secrest
Shafer
Shelley
Sheppard
Short
Sikes
Simpson, Pa.
Sims
Smathers
Smith, Va.
Smith, Wis.
Spence
Staggers
Stanley
Steed
Stefan
Stigler
Stockman
Sullivan

Sutton
Taber
Tackett
Tauriello
Taylor
Teague
Thomas
Thompson
Thornberry
Tollefson
Towe
Trimble
Underwood
Van Zandt
Velde
Vinson

Vorys
Vursell
Wadsworth
Wagner
Walsh
Walter
Welch
Wheeler
Whitaker
White, Calif.
Whitten
Whittington
Wickersham
Widnall
Wier

Wigglesworth
Willis
Wilson, Ind.
Wilson, Okla.
Wilson, Tex.
Withrow
Wolcott
Wolverton
Wood
Woodhouse
Woodruff
Yates
Young
Zablocki

NAYS—12

Allen, Ill.
Crawford
Gwinn
Hoffman, Mich.

Jenison
Marcantonio
Nicholson
Phillips, Calif.

Rich
Sanborn
Simpson, Ill.
Werdel

ANSWERED "PRESENT"—1

Rankin

NOT VOTING—34

Barrett, Wyo.
Bulwinkle
Clevenger
Cole, N. Y.
Dague
Denton
Dingell
Eaton
Gillette
Gossett
Hare
Hinshaw

Johnson
Keefe
Kennedy
Latham
McMillen, Ill.
Magee
Mason
Murphy
Murray, Wis.
Pfeiffer
William L.
Quinn

Regan
Rivers
Seabath
Sadowski
Scott
Hugh D., Jr.
Smith, Kans.
Smith, Ohio
Talle
White, Idaho
Williams
Winstead

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hugh D. Scott, Jr., for, with Mr. Mason against.

Mr. William L. Pfeiffer for, with Mr. Smith of Ohio, against.

Additional general pairs:

Mr. Murphy with Mr. Talle.
Mr. Magee with Mr. Johnson.
Mr. Williams with Mr. Eaton.
Mr. Winstead with Mr. Latham.
Mr. Dingell with Mr. Keefe.
Mr. Denton with Mr. Smith of Kansas.
Mr. Kennedy with Mr. Hinshaw.
Mr. Hare with Mr. Gillette.
Mr. Regan with Mr. Dague.
Mr. Rivers with Mr. Cole of New York.
Mr. Sadowski with Mr. Barrett of Wyoming.
Mr. Sabath with Mr. Murray of Wisconsin.
Mr. Gossett with Mr. McMillen of Illinois.
Mr. White of Idaho with Mr. Clevenger.

Mr. WHEELER changed his vote from "nay" to "yea."

Mr. RANKIN changed his vote from "nay" to "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to have printed the bill H. R. 9176 as it passed the House, and the Clerk be authorized to make corrections in title and section numbers.

The SPEAKER. Is there objection?

There was no objection.

The bill is as follows:

Be it enacted, etc., That this act, divided into titles, may be cited as the "Defense Production Act of 1950."

TABLE OF CONTENTS

Title I. Priorities and allocations.
Title II. Price and wage stabilization.
Title III. Authority to requisition.
Title IV. Expansion of productive capacity and supply.

Title V. Control of credit and commodity speculation.

Title VI. General provisions.

DECLARATION OF POLICY

SEC. 2. It is the policy of the United States to oppose acts of aggression and to promote peace by insuring respect for world law and the peaceful settlement of differences among nations. To that end this Government is pledged to support collective action through the United Nations and through regional arrangements for mutual defense in conformity with the Charter of the United Nations. The United States is determined to develop and maintain whatever military and economic strength is found to be necessary to carry out this purpose. Under present circumstances, this task requires diversion of certain materials and facilities from civilian use to military and related purposes. It requires expansion of productive facilities beyond the levels needed to meet the civilian demand. In order that this diversion and expansion may proceed at once, and that the national economy may be maintained with the maximum effectiveness and the least hardship, normal civilian production and purchases must be curtailed and redirected.

It is the objective of this act to provide the President with authority to accomplish these adjustments in the operation of the economy. It is the intention of the Congress that the President shall use the powers conferred by this act to promote the national defense, by meeting, promptly and effectively, the requirements of military programs in support of our national security and foreign policy objectives, and by preventing undue strains and dislocations upon wages, prices, and production or distribution of materials for civilian use within the framework, as far as practicable, of the American system of competitive enterprise.

TITLE I—PRIORITIES AND ALLOCATIONS

SEC. 101. The President is hereby authorized (1) to require that performance under contracts or orders (other than contracts of employment) which he deems necessary or appropriate to promote the national defense shall take priority over performance under any other contract or order, and, for the purpose of assuring such priority, to require acceptance and performance of such contracts or orders in preference to other contracts or orders by any person he finds to be capable of their performance, and (2) to allocate materials and facilities in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate to promote the national defense.

SEC. 102. Any person who willfully performs any act prohibited, or willfully fails to perform any act required, by the provisions of this title or any rule, regulation, or order thereunder, shall, upon conviction, be fined not more than \$10,000 or imprisoned for not more than 1 year, or both.

SEC. 103. It is hereby made unlawful for any person willfully to hoard any necessities. The term "necessaries" as used in this section means foods; feeds; wearing apparel; automobile tires; containers primarily designed or intended for containing foods, feeds, or fertilizers; fuel, including fuel oil and natural gas; fertilizer and fertilizer ingredients; tools, utensils, implements, machinery, and equipment required for the actual production of the above-named articles and materials; and any other articles and materials the equitable distribution of which the President shall find, and shall by proclamation declare, to be essential to carry out the purposes of this act. Necessaries shall be deemed to be hoarded within the meaning of this section when either (a) held, contracted for, or arranged for by any person in a quantity in excess of his reasonable requirements for use or consumption by himself and dependents for a reasonable

time; (b) held, contracted for, or arranged for by any manufacturer, wholesaler, retailer, or other dealer in a quantity in excess of the reasonable requirements of his business for use or sale by him for a reasonable time or reasonably required to furnish necessities produced in surplus quantities seasonably throughout the period of scant or no production, or (c) withheld whether by possession or under any contract or arrangement from the market by any person for the purpose of unreasonably increasing or diminishing the price: *Provided*, That this section shall not apply to futures trading transactions on any commodity exchange or board of trade.

TITLE II

PRICE AND WAGE STABILIZATION

SEC. 201. It is the intent of Congress to provide authority necessary to achieve the following purposes in order to promote the national defense: to prevent inflation and preserve the value of the national currency; to assure that defense appropriations are not dissipated by excessive costs and prices; to stabilize the cost of living for workers and other consumers and the costs of production for farmers and businessmen; to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions, or scarcities; to protect consumers, wage earners, investors, and persons with relatively fixed or limited incomes from undue impairment of their living standards; to prevent economic disturbances, labor disputes, interferences with the effective mobilization of national resources, and impairment of national unity and morale; to assist in maintaining a reasonable balance between purchasing power and the supply of consumer goods and services; to protect the national economy against future loss of needed purchasing power by the present dissipation of individual savings; and to prevent a future collapse of values. It is the intent of Congress that the authority conferred by this title shall be exercised in accordance with the policies set forth in section 2 of this act, and in particular with full consideration and emphasis, so far as practicable, on the maintenance and furtherance of the American system of competitive enterprise, including independent small-business enterprises, the maintenance and furtherance of a sound agricultural industry, the maintenance and furtherance of sound working relations, including collective bargaining, and the maintenance and furtherance of the American way of life. Whenever the authority granted by this title is exercised, all agencies of the Government dealing with the subject matter of this title, within the limits of their authority and jurisdiction, shall cooperate in carrying out these purposes.

SEC. 202. (a) In order to carry out the objectives of this title, the President may encourage and promote voluntary action by business, agriculture, labor, and consumers. In proceeding under this subsection the President may exercise the authority to approve voluntary programs and agreements conferred on him under sections 708 and 712, and may utilize the services of persons and agencies as provided in section 710.

(b) Where the objectives of this title cannot be attained by action under subsection (a), the President may issue regulations and orders at the same time, both

(1) establishing a ceiling or ceilings on the price, rental, commission, margin, rate, fee, charge, or allowance paid or received on the sale or delivery, or the purchase or receipt, by or to any person, of any material or service; and

(2) establishing a ceiling or ceilings on wages, salaries, and other compensation paid to or received by any person for any type of employment; and regulations prohibiting increases in wages, salaries, and other compen-

sation, except when deemed necessary by the President to prevent gross inequity or to effectuate the purposes of this act, shall be issued whenever an increase in wages, salaries, or other compensation (A) would require increases in price ceilings established under paragraph (1) of this subsection, or (B) would impose an undue burden on a seller operating under a price ceiling established under paragraph (1) of this subsection.

Action under this subsection may be taken either with respect to individual materials and services, or with respect to materials and services generally.

Wages, salaries, and other compensation shall be stabilized generally whenever ceilings on prices, including retail sales prices, have been established on materials and services comprising a substantial part of all sales at retail and materially affecting the cost of living.

(c) So far as practicable, in exercising the authority conferred in this section, the President shall ascertain and give due consideration to comparable prices, rentals, commissions, margins, rates, fees, charges, and allowances, and to comparable salaries, wages, or other compensation, which he finds to be representative of those prevailing during the period from May 24 to June 24, 1950, inclusive, or, in case none prevailed during this period or if those prevailing during this period were not generally representative because of abnormal or seasonal market conditions or other cause, then those prevailing on the nearest date on which, in the judgment of the President, they are generally representative. The President shall also give due consideration to the national effort to achieve maximum production in furtherance of the objectives of this act. From time to time the President shall adjust ceilings, and in determining and adjusting ceilings on prices with respect to materials and services, he shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such material or service, including the following: Speculative fluctuations, general increases or decreases in cost of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the material or by persons performing the service, subsequent to June 24, 1950: *Provided*, That no regulation or order shall contain any provision requiring the determination of costs otherwise than in accordance with established accounting methods. In stabilizing and adjusting wages, salaries, or other compensation, the President shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such wages, salaries, or other compensation. Any regulation or order under this title shall be such as in the judgment of the President will be generally fair and equitable and will effectuate the purposes of this title, and shall be accompanied by a statement of considerations involved in the issuance of such regulation or order.

(d) (1) Regulations and orders issued under this title shall apply regardless of any obligation heretofore or hereafter incurred, except as provided in this subsection.

(2) No wage, salary, or other compensation shall be stabilized at less than that paid during the period from May 24, 1950, to June 24, 1950, inclusive. No action shall be taken under authority of this title with respect to wages, salaries, or other compensation which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the Labor Management Relation Act, 1947, or any other law of the United States, or of any State, the District of Columbia, or any Territory or possession of the United States.

(3) No ceiling shall be established or maintained for any agricultural commodity below the higher of the following prices: (i) The parity price for such commodity, as deter-

mined by the Secretary of Agriculture in accordance with the Agricultural Adjustment Act of 1938, as amended, and adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or (ii) the highest price received by producers during the period from May 24, 1950, to June 24, 1950, as determined by the Secretary of Agriculture and adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or (iii) if for the year 1950 a producer normally does not market a commodity during the period from May 24, 1950, to June 24, 1950, the highest price received by such producer during the first 30-day period following May 24, 1950, in which such commodity is normally marketed; and no ceilings shall be established or maintained hereunder for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the higher price therefor specified in this subsection: *Provided*, That in establishing and maintaining ceilings on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing. Whenever a ceiling has been established under this title with respect to any agricultural commodity, or any commodity processed or manufactured in whole or in substantial part therefrom, the President from time to time shall adjust such ceiling in order to make appropriate allowances for substantial reduction in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such agricultural commodity. Nothing contained in this act shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such act. Ceiling prices to producers for milk used for distribution as fluid milk in any marketing area not under a marketing agreement, license, or order issued under the Agricultural Marketing Agreement Act of 1937, as amended, shall not be less than (1) parity prices for such milk, or (2) prices which in such marketing areas will bear the same ratio to the average farm price of milk sold wholesale in the United States as the prices for such fluid milk in such marketing areas bore to such average farm price during the base period, as determined by the Secretary of Agriculture, whichever is higher: *Provided, however*, That whenever the Secretary of Agriculture finds that the prices so fixed are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in any such marketing area, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest, which prices when so determined shall be used as the ceiling prices to producers for fluid milk in such marketing areas.

(e) The authority conferred by this title shall not be exercised with respect to the following:

- (1) Rentals for real property;
- (2) Rates or fees charged for professional services;
- (3) Prices or rentals (a) for materials furnished for publication by any press association or feature service, (b) books, magazines, motion pictures, periodicals, or newspapers, other than as waste or scrap, or rates charged by any person in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting or television station, a motion-picture or

other theater enterprise, or outdoor advertising facilities;

(iv) Rates charged by any person in the business of selling or underwriting insurance;

(v) Rates charged by any common carrier or other public utility;

(vi) Margin requirements on any commodity exchange.

(f) The President, in or by any regulation or order, may provide exemptions for any materials or services, or transactions therein, or types of employment, with respect to which he finds that (1) such exemption is necessary to promote the national defense; or (2) it is unnecessary that ceilings be applicable to such materials or services, or transactions therein, or that compensation for such types of employment be stabilized, in order to effectuate the purposes of this title.

Sec. 203. The powers granted in this title shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, except where such action is affirmatively found by the President to be necessary to prevent circumvention or evasion of any regulation, order, or requirement under this title.

Sec. 204. In carrying out the provisions of this title, the President shall, so far as practicable, advise and consult with, and establish and utilize committees of, representatives of persons substantially affected by regulations or orders issued hereunder.

Sec. 205. (a) It shall be unlawful, regardless of any obligation heretofore or hereafter entered into, for any person to sell or deliver, or in the regular course of business or trade to buy or receive, any material or service, or otherwise to do or omit to do any act, in violation of this title or of any regulation, order, or requirement issued thereunder, or to offer, solicit, attempt or agree to do any of the foregoing.

(b) No employer shall pay, and no employee shall receive, any wage, salary, or other compensation in contravention of any regulation or order promulgated by the President under this title. The President shall also prescribe the extent to which any wage, salary, or compensation payment made in contravention of any such regulation or order shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

Sec. 206. Nothing in this title shall be construed to require any person to sell any material or service, or to perform personal services.

Sec. 207. (a) At any time within 6 months after the effective date of any regulation or order under this title, or, in the case of new grounds arising after the effective date of any such regulation or order, within 6 months after such new grounds arise, any person subject to any provision of such regulation or order may, in accordance with regulations to be prescribed by the President, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of any such regulation or order may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the President. Within a reasonable time after the filing of any protest under this section, but in no event more than 30 days after such filing, the President shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the President denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based; and of any economic data

and other facts of which the President has taken official notice.

(b) In the administration of this title the President may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 705 of title VII of this act.

(c) Any proceedings under this section may be limited by the President to the filing of affidavits, or other written evidence, and the filing of briefs: *Provided, however,* That upon the request of the protestant, any protest filed in accordance with subsection (a) of this section shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the United States designated by the President in accordance with regulations to be promulgated by him. Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants and upon a showing that material facts would be adduced thereby, subpoenas shall issue to procure the evidence of persons, or the production of documents, or both. The President shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the President. The protestant shall be informed of the recommendations of the board and, in the event that the President rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection.

(d) Any protest filed under this section shall be granted or denied by the President, or granted in part and the remainder of it denied within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the President in disposing of his protest may petition the Emergency Court of Appeals for relief; and such court shall have jurisdiction by appropriate order to require the President to dispose of such protest within such time as may be fixed by the court. If the President does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period.

Sec. 208. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within 30 days after such denial, file a complaint with the Emergency Court of Appeals specifying his objections and praying that the regulation or order protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the President, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the President has taken official notice. Upon the filing of such complaint the court shall have exclusive jurisdiction to set aside such regulation or order, in whole or in part, to dismiss the complaint, or to remand the proceeding: *Provided,* That the regulation or order may be modified or rescinded by the President at any time notwithstanding the pendency of such complaint. No objection to such regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest of such evidence and shall be contained in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the Presi-

dent and not admitted, or which could not reasonably have been offered to the President or included by the President in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the President. The President shall promptly receive the same, and such other evidence as he deems necessary or proper and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation or order as a result thereof; except that on request by the President, any such evidence shall be presented directly to the court.

(b) No such regulation or order shall be enjoined or set aside, in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation or order is not in accordance with law, or is arbitrary or capricious. The effectiveness of a judgment of the court enjoining or setting aside, in whole or in part, any such regulation or order shall be postponed until the expiration of 30 days from the entry thereof, except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (d) within such 30 days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court.

(c) The Emergency Court of Appeals is hereby continued for the purpose of the exercise of the jurisdiction granted by this title, with the powers herein specified, together with the powers heretofore granted by law to such court which are not inconsistent with the provisions of this title. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this title; except that the court shall not have power to issue any temporary restraining order or interlocutory decree staying or restraining, in whole or in part, the effectiveness of any regulation, order, price schedule, or wage, salary, or other compensation schedule issued under this title. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this title.

(d) Within 30 days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order issued under this title, and of any provision of any such regulation or order. Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation or order, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this title authorizing the issuance of such regulations or orders, or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

Sec. 209. (a) Whenever in the judgment of the President any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 205 of this title, he may make application to the appropriate court for an order enjoining such acts

or practices, or for an order enforcing compliance with such provision, and upon a showing by the President that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order, shall be granted without bond.

(b) Any person who willfully violates any provision of section 205 of this title shall be guilty of a misdemeanor and shall, upon conviction thereof, be subject to a fine of not more than \$10,000, or to imprisonment for not more than 1 year or both. Whenever the President has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

(c) If any person selling any material or service violates a regulation or order prescribing a ceiling or ceilings, the person who buys such material or service for use or consumption other than in the course of trade or business may, within one year from the date of the occurrence of the violation, except as hereinafter provided, bring an action against the seller on account of the overcharge. In any action under this subsection, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is greater: (1) such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, but in no event shall such amount exceed the amount of the overcharge, or the overcharges, plus \$10,000, or (2) an amount not less than \$25 nor more than \$50 as the court in its discretion may determine: *Provided, however*, That such amount shall be the amount of the overcharge, or overcharges, if the defendant proves that the violation of the regulation or order in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation. For the purposes of this section the word "overcharge" shall mean the amount by which the consideration exceeds the applicable ceiling. If any person selling any material or service violates a regulation or order prescribing a ceiling or ceilings and the buyer either fails to institute an action under this subsection within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the President may institute such action on behalf of the United States within such 1-year period. If such action is instituted by the President, the buyer shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the President, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered. The President may not institute any action under this subsection on behalf of the United States—

(1) if the violation arose because the person selling the material or service acted upon and in accordance with the written advice and instructions of the President or any official authorized to act for him;

(2) if the violation arose out of the sale of any material or service to any agency of the Government, and such sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

SEC. 210. As used in this title—

(a) The word "person" includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of the fore-

going, and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of any of the foregoing: *Provided*, That no punishment provided by this act shall apply to the United States, or to any such government, political subdivision, or Government agency.

(b) The word "materials" shall include raw materials, articles, commodities, products, supplies, components, technical information, and processes.

(c) The word "facilities" shall not include farms, churches or other places of worship, or private dwelling houses.

(d) The term "national defense" means the operations and activities of the Armed Forces, the Atomic Energy Commission, or any other Government department or agency directly or indirectly and substantially concerned with the national defense, or operations or activities in connection with the Mutual Defense Assistance Act of 1949, as amended.

(e) The words "wages, salaries, and other compensation" shall include all forms of remuneration to employees by their employers for personal services, including, but without limitation, vacation and holding payments, night shift and other bonuses, incentive payments, year-end bonuses, employer contributions to or payments of insurance or welfare benefits, employer contributions to a pension fund or annuity, payments in kind, and premium overtime payments.

TITLE III—AUTHORITY TO REQUISITION

SEC. 301. Whenever the President determines (1) that the use of any equipment, supplies, or component parts thereof, or materials or facilities necessary for the manufacture, servicing, or operation of such equipment, supplies, or component parts, is needed for the national defense, (2) that such need is immediate and impending and such as will not admit of delay or resort to any other source of supply, and (3) where the President finds that all other means of acquiring or obtaining the use of such property for the defense of the United States upon fair and reasonable terms have been exhausted, he is authorized to requisition such property or the use thereof for the defense of the United States upon the payment of just compensation for such property or the use thereof to be determined as hereinafter provided. The President shall determine the amount of the compensation to be paid for any property or the use thereof requisitioned pursuant to this title but each such determination shall be made as of the time it is requisitioned in accordance with the provision for just compensation in the fifth amendment to the Constitution of the United States. If the person entitled to receive the amount so determined by the President as just compensation is unwilling to accept the same as full and complete compensation for such property or the use thereof, he shall promptly be paid 75 percent of such amount and shall be entitled to recover from the United States, in an action brought in the Court of Claims or, where the amount involved does not exceed \$10,000, in any district court of the United States within 3 years after the date of the President's award, an additional amount which, when added to the amount so paid to him, shall be just compensation. Whenever the need for the national defense of any property requisitioned under this title shall terminate, the President may dispose of such property on such terms and conditions as he shall deem appropriate, but to the extent feasible and practicable he shall give the former owner of any property so disposed of an opportunity to reacquire it (1) at its then fair value as determined by the President, or (2) if it is to be disposed of (otherwise than at a public sale of which he is given reasonable notice) at less than

such value, at the highest price any other person is willing to pay therefor: *Provided*, That this opportunity to reacquire need not be given in the case of fungibles or items having a fair value of less than \$1,000.

TITLE IV—EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

SEC. 401. (a) In order to expedite production and deliveries under Government contracts, the President may authorize, subject to such regulations as he may prescribe, the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Commerce, and such other agencies of the United States engaged in procurement as he may designate (hereinafter referred to as "guaranteeing agencies"), without regard to provisions of law relating to the making, performance, amendment, or modification of contracts, to guarantee in whole or in part any public or private financing institution (including any Federal Reserve bank), by commitment to purchase, agreement to share losses, or otherwise, against loss of principal or interest on any loan, discount or advance, or on any commitment in connection therewith, which may be made by such financing institution for the purpose of financing any contractor, subcontractor, or other person in connection with the performance, or in connection with or in contemplation of the termination, of any contract or other operation deemed by the guaranteeing agency to be related to efforts or undertakings on the part of the United States or an agency thereof which are designed to meet the necessities of the national defense.

(b) Any Federal agency or any Federal Reserve bank, when designated by the President, is hereby authorized to act, on behalf of any guaranteeing agency, as fiscal agent of the United States in the making of such contracts of guaranty and in otherwise carrying out the purposes of this section. All such funds as may be necessary to enable any such fiscal agent to carry out any guaranty made by it on behalf of any guaranteeing agency shall be supplied and disbursed by or under authority from such guaranteeing agency. No such fiscal agent shall have any responsibility or accountability except as agent in taking any action pursuant to or under authority of the provisions of this section. Each such fiscal agent shall be reimbursed by each guaranteeing agency for all expenses and losses incurred by such fiscal agent in acting as agent on behalf of such guaranteeing agency, including among such expenses, notwithstanding any other provision of law, attorneys' fees and expenses of litigation.

(c) All actions and operations of such fiscal agents, under authority of or pursuant to this section shall be subject to the supervision of the President and to such regulations, as he may prescribe; and the President is authorized to prescribe, either specifically or by maximum limits or otherwise, rates of interest, guaranty and commitment fees, and other charges which may be made in connection with loans, discounts, advances, or commitments guaranteed by the guaranteeing agencies through such fiscal agents, and to prescribe regulations governing the forms and procedures (which shall be uniform to the extent practicable) to be utilized in connection with such guaranties.

(d) Each guaranteeing agency is hereby authorized to use for the purposes of this section any funds which have heretofore been appropriated or allocated or which hereafter may be appropriated or allocated to it, or which are or may become available to it, for such purposes or for the purpose of meeting the necessities of the national defense.

SEC. 402. To assist in carrying out the objectives of this act, the President may make provision for loans (including participations in, or guaranties of, loans) to private business enterprises for the expansion of capacity, the development of technological pro-

esses, or the production of essential materials including the exploration, development, and mining of strategic and critical metals and minerals. Such loans may be made without regard to the limitations of existing law and on such terms and conditions as the President deems necessary, except that financial assistance may be extended only to the extent that it is not otherwise available on reasonable terms.

Sec. 403. (a) To assist in carrying out the objectives of this act, the President may make provision for purchases of or commitments to purchase metals, minerals, and other raw materials, including liquid fuels, for Government use or for resale.

(b) The procurement power granted to the President by this section shall include the power to transport and store, and have processed and refined any materials procured under this section.

Sec. 404. (a) For the purposes of sections 402 and 403, the President is hereby authorized to utilize the Reconstruction Finance Corporation and such other departments, agencies, officials, or corporations of the Government as he may deem appropriate, or to create new corporations.

(b) Any corporation created under this section—

(1) shall have the power to sue and be sued; to acquire, hold, and dispose of property; to use its revenues; to determine the character of and necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed, paid, and accounted for subject to laws specifically applicable to Government corporations; and to exercise such other powers as may be necessary or appropriate to carry out the purposes of such corporation;

(2) shall have its powers set out in a charter, which shall be published in the Federal Register, and all amendments to which shall be similarly published;

(3) shall not have succession beyond June 30, 1952, except for purposes of liquidation, unless its life is extended beyond such date pursuant to act of Congress; and

(4) shall be subject to the Government Corporation Control Act to the same extent as wholly owned Government corporations listed in section 101 of said act.

(c) Any corporation established or utilized pursuant to this section is authorized to borrow from the Treasury of the United States, for any of the purposes of the corporation, such sums of money as may be necessary to carry out its functions under this title: *Provided*, That the total amount borrowed under the provisions of this section by all such corporations shall not exceed an aggregate of \$2,000,000,000 outstanding at any one time. For the purpose of borrowing as authorized by this paragraph, any corporation established pursuant to this section may issue to the Secretary of the Treasury its notes, debentures, bonds, or other obligations to be redeemable at the option of the corporation before maturity in such manner as may be stipulated in such obligations. Such obligations may mature subsequent to the period of succession of the corporation. Such obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligations of the corporation. The Secretary of the Treasury is authorized and directed to purchase any obligations of any such corporation to be issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include

any purchase of the obligations of any corporation hereunder.

TITLE V—CONTROL OF CREDIT

SUBTITLE A—CONSUMER AND REAL-ESTATE CREDIT

Sec. 501. (a) To assist in carrying out the purposes of this act, the President is authorized from time to time to prescribe regulations with respect to such kind or kinds of consumer and real-estate construction credit which thereafter may be extended as, in his judgment, it is necessary to regulate in order to prevent or reduce excessive or untimely use of or fluctuations in such credit. Such regulations may, among other things, prescribe maximum loan or credit values, minimum down payments in cash or property, trade-in or exchange values, maximum maturities, maximum amounts of credit, rules regarding the amount, form and time of various payments, rules against any credit in specified circumstances, rules regarding consolidations, renewals, revisions, transfers, or assignments of credit, and rules regarding other similar or related matters. Such regulations may classify persons and transactions and may apply different requirements thereto, and may include such administrative provisions as in the judgment of the President are reasonably necessary in order to effectuate the purposes of this subtitle or to prevent evasions thereof.

In prescribing and suspending such regulations, including changes from time to time to take account of changing conditions, the President shall consider among other factors, (1) the level and trend of consumer and real-estate construction credit and the various kinds thereof, (2) the effect of the use of such credit upon (i) purchasing power and (ii) demand for real property and improvements thereon and for other goods and services, and (3) the need in the national economy for the maintenance of sound credit conditions.

(b) No person shall extend or maintain any consumer or real-estate construction credit, or renew, revise, consolidate, refinance, purchase, sell, discount, or lend or borrow on, any obligation arising out of any such credit, or arrange for any of the foregoing, in contravention of any regulation prescribed by the President pursuant to this section. Any person who extends or maintains any such credit, or renews, revises, consolidates, refinances, purchases, sells, discounts, or lends or borrows on, any obligation arising out of any such credit, or arranges for any of the foregoing, shall make, keep, and preserve for such periods, such accounts, correspondence, memoranda, papers, books, and other records, and make such reports, under oath or otherwise, as the President may by regulation require as necessary or appropriate in order to effectuate the purposes of this subtitle; and such accounts, correspondence, memoranda, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the President as the President may deem necessary or appropriate. The requirements of this section apply whether a person is acting as principal, agent, broker, vendor, or otherwise.

(c) Any person who willfully violates any provision of this subtitle or any regulation or order thereunder, upon conviction thereof, shall be fined not more than \$5,000 or imprisoned not more than 1 year, or both.

(d) To assist in carrying out the purposes of this subtitle, the President by regulation may require transactions or persons or classes thereof subject to this subtitle to be registered or licensed; and, after notice and opportunity for hearing, the President by order may suspend any such registration or license for violation of this subtitle or any regulation prescribed by the President pursuant to this subtitle. The provisions of section 25 of the Securities Exchange Act of 1934, as amended, shall apply in the case of any such

order of the President in the same manner that such provisions apply in the case of orders of the Securities and Exchange Commission under that act. In carrying out this subtitle, the President may act through and may utilize the services of the Board of Governors of the Federal Reserve System, the Federal Reserve banks, and any other agencies, Federal or State, which are available and appropriate.

(e) Any rules, regulations, or orders for real estate credit shall not restrict loans made by private lenders to any percentage of value or maturity less than the maximum authorized for any loans of like classifications authorized to be made, insured, or guaranteed by the Government or any Government-owned agency or instrumentality, nor shall any rule, regulation, or order otherwise discriminate in favor of Government loans or Government insured or guaranteed loans against private loans.

(f) For the purposes of this subtitle, unless the context otherwise requires, the following terms shall have the following meanings, but the President may in his regulations further define such terms and, in addition, may define technical, trade, and accounting terms, insofar as any such definitions are not inconsistent with the provisions of this subtitle:

(1) "Consumer credit" means credit which the obligor undertakes to pay in two or more payments, or any other credit: *Provided*, That it shall not include (i) any credit to finance or refinance the construction or purchase of an entire residential or nonresidential building, (ii) any credit extended to a business enterprise solely to finance the purchase of goods for resale, or (iii) any other credit extended to a business or agricultural enterprise for any business or agricultural purpose unless the credit is secured by or is for the purpose of purchasing or carrying any durable or semidurable goods which are used or usable for personal, family, or household purposes, or any accessory, insurance, or service connected with any such goods or any interest therein.

(2) "Real estate construction credit" means any credit hereafter extended, which (i) is wholly or partly secured by, (ii) is for the purpose of purchasing or carrying, (iii) is for the purpose of financing, or (iv) involves a right to acquire or use, new construction on real property or real property on which there is new construction. As used in this paragraph the term "new construction" means any structure, or any major addition or major improvement to a structure, which has not been begun before 12 o'clock meridian, August 3, 1950. As used in this paragraph the term "real property" includes leasehold and other interests therein. Notwithstanding the foregoing provisions of this paragraph, the term "real estate construction credit" shall not include any loan or loans made, insured, or guaranteed by any department, independent establishment or agency in the executive branch of the United States, or by any wholly owned Government corporation, or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended.

(3) "Credit" means any loan, advance, or discount; any conditional sale contract; any contract to sell or sale or contract of sale, of property or services, either for present or future delivery, under which part or all of the price is payable subsequent to the making of such sale or contract; any rental-purchase contract, or any contract for the bailment, leasing, or other use of property under which the bailee, lessee, or users has the option of becoming the owner thereof obligates himself to pay as compensation a sum substantially equivalent to or in excess of the value thereof, or has the right to have all or part of the payments required by such contract applied to the purchase price of such property or similar property; any option,

demand, lien, pledge or similar claim against, or for the delivery of property or money; any purchase, discount, or other acquisition of, or any credit under the security of, any obligation or claim arising out of any of the foregoing; and any transaction or series of transactions having a similar purpose or effect.

(4) "Person," in addition to the definition given it by section 502 (a) of this act, includes the United States, any State or subdivision thereof, and any agency or instrumentality of one or more such authorities, except that the criminal penalties of this subtitle shall not be applicable to the United States, any State, or other governmental agency or instrumentality.

SEC. 502. To assist in carrying out the objectives of this act, the President may, at any time or times, notwithstanding any other provision of law, reduce, for such period as he shall specify, the maximum authorized principal amounts, ratios of loan to value or cost, or maximum maturities of any type or types of loans on real estate which thereafter may be made, insured, or guaranteed by any department, independent establishment, or agency in the executive branch of the United States, or by any wholly owned Government corporation or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended, or reduce or suspend any such authorized loan program, upon a determination, after taking into consideration the effect thereof upon conditions in the building industry and upon the national economy and the needs for increased defense production, that such action is necessary in the public interest: *Provided*, That in the exercise of these powers, the President shall preserve the relative credit preferences accorded to veterans under existing law.

TITLE VI—GENERAL PROVISIONS

SEC. 601. (a) It is the sense of the Congress that small-business enterprises be encouraged to make the greatest possible contribution toward achieving the objectives of this act.

(b) In order to carry out this policy—

(i) the President shall provide small-business enterprises with full information concerning the provisions of this act relating to, or of benefit to, such enterprises and concerning the activities of the various departments and agencies under this act;

(ii) such business advisory committees shall be appointed as shall be appropriate for purposes of consultation in the formulation of rules, regulations or orders, or amendments thereto, issued under authority of this act, and in their formation consideration shall be given to providing fair representation for small, medium, and large business enterprises, for different geographical areas, for trade association members and nonmembers, and for different segments of the industry;

(iii) in administering this act, such exemptions shall be provided for small-business enterprises as may be feasible without impeding the accomplishment of the objectives of this act; and

(iv) in administering this act, special provision shall be made for the expeditious handling of all requests, applications, or appeals from small-business enterprises.

SEC. 602. As used in this act—

(a) The word "person" shall include individuals, firms, corporations, associations, partnerships, and any organized groups of persons whether or not incorporated.

(b) The word "materials" shall include raw materials, articles, commodities, products, supplies, components, technical information, and processes.

SEC. 603. The President may delegate any power or authority conferred upon him by this act to any officer or agency of the Government, including any new agency or agencies which are hereby authorized to be cre-

ated by the President when deemed necessary, and may authorize such redelegations by that officer or agency as the President may deem appropriate. The President is authorized to appoint heads and assistant heads of any such new agencies, and other officials therein of comparable status, and to fix the compensation therefor, without regard to the Classification Act of 1949, as amended, at rates comparable to the compensation paid to the heads and assistant heads of independent agencies of the Government. Attorneys appointed under this section may appear for and represent the agency in any case in any court. Any officer or agency may employ civilian personnel for duty in the United States, including the District of Columbia, or elsewhere, without regard to section 14 of the Federal Employees Pay Act of 1946 (60 Stat. 219), as the President deems necessary to carry out the provisions of this act.

SEC. 604. The President may make such rules, regulations, and orders as he deems necessary or appropriate to carry out the provisions of this act. Any regulation or order under this act may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the President are necessary or proper in order to effectuate the purposes of this act.

SEC. 605. (a) The President shall be entitled, while this act is in effect and for a period of 2 years thereafter, by regulation, subpoena, or otherwise, to obtain such information from, require such reports and the keeping of such records by, make such inspection of the books, records, and other writings, premises or property of, and take the sworn testimony of, any person as may be necessary or appropriate, in his discretion, to the enforcement of the administration of this act and the regulations or orders issued thereunder. The President shall issue regulations insuring that the authority of this subsection will be utilized only after the scope and purpose of the investigation, inspection, or inquiry to be made have been defined by competent authority, and it is assured that no adequate and authoritative data are available from any Federal or other responsible agency.

(b) No person shall be excused from complying with any requirement under this section or from attending and testifying or from producing books, papers, documents, and other evidence in obedience to a subpoena before any grand jury or in any court or administrative proceeding based upon or growing out of any alleged violation of this act on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to penalty or forfeiture; but no natural person shall be prosecuted or subjected to any penalty or forfeiture in any court, for or on account of any transaction, matter, or thing concerning which he is so compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such natural person so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying: *Provided*, That the immunity granted herein from prosecution and punishment and from any penalty or forfeiture shall not be construed to vest in any individual any right to priorities assistance, to the allocation of materials, or to any other benefit which is within the power of the President to grant under any provision of this act.

(c) The production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person usually keeps them, if, prior to the return date specified in the regulations, subpoena, or other document issued with respect thereto, such person furnishes the President with a true copy of such books, records, or other documentary evi-

dence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the President as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

(d) Information obtained under this section which the President deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information shall not be published or disclosed unless the President determines that the withholding thereof is contrary to the interest of the national defense, and any person willfully violating this provision shall, upon conviction, be fined not more than \$10,000 or imprisoned for not more than 1 year, or both.

SEC. 606. The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction of violations of this act or any rule, regulation, order, or subpoena thereunder, and of all civil actions under this act to enforce any liability or duty created by, or to enjoin any violation of, this act or any rule, regulation, order, or subpoena thereunder. Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or transaction constituting the violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; the subpoena for witnesses who are required to attend a court in any district in such case may run into any other district. The termination of the authority granted in any title or section of this act, or of any rule, regulation, or order issued thereunder, shall not operate to defeat any suit, action, or prosecution, whether theretofore or thereafter commenced, with respect to any right, liability, or offense incurred or committed prior to the termination date of such title or of such rule, regulation, or order. No costs shall be assessed against the United States in any proceeding under this act.

SEC. 607. No person shall be held liable for damages or penalties for any act or failure to act resulting directly or indirectly from his compliance with a rule, regulation, or order issued pursuant to title I of this act, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid. No person shall discriminate against orders or contracts to which priority is assigned or for which materials or facilities are allocated under title I of this act or under any rule, regulation, or order issued thereunder, by charging higher prices or by imposing different terms and conditions for such orders or contracts than for other generally comparable orders or contracts, or in any other manner.

SEC. 608. (a) No act or omission to act pursuant to this act which occurs while this act is in effect, if requested by the President and found by him to be in the public interest as contributing to the national defense, shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act of the United States. A copy of each such request intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General and the Chairman of the Federal Trade Commission when made, and it shall be published in the Federal Register unless publication thereof would, in the opinion of the President, endanger the national security.

(b) The authority granted in subsection (a) shall not be delegated except to a single

official of the Government and then only upon the condition that such official consult with the Attorney General and the Chairman of the Federal Trade Commission not less than 10 days before making any request or finding thereunder and that if any objection is made by the Attorney General or by the Chairman of the Federal Trade Commission within that period, the President or such person as he may designate shall approve or disapprove the request.

(c) Upon withdrawal of any request or finding made hereunder the provisions of this section shall not apply to any subsequent act or omission to act by reason of such finding or request.

(d) The Attorney General is directed to make, or request the Federal Trade Commission to make for him, surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this act. The Attorney General shall submit to the Congress and the President within 90 days after the approval of this act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including such recommendations as he may deem desirable.

SEC. 609. The functions exercised under this act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237) except as to the requirements of section 3 thereof.

SEC. 610. (a) The President, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, is authorized to place positions and employ persons in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949, and such positions shall be additional to the number authorized by section 505 of that act.

(b) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation; and he is authorized to provide by regulation for the exemption of such persons from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code or section 190 of the Revised Statutes (5 U. S. C., sec. 99). Persons appointed under the authority of this subsection may be allowed transportation and not to exceed \$15 per diem in lieu of subsistence while away from their homes or regular places of business pursuant to such appointment.

SEC. 611. There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes of this act by the President and such agencies as he may designate or create. Funds made available for the purpose of this act may be allocated or transferred for any of the purposes of this act, with the approval of the Bureau of the Budget, to any agency designated to assist in carrying out this act. Funds so allocated or transferred shall remain available for such period as may be specified in the acts making such funds available.

SEC. 612. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SEC. 613. That no person may be employed under this act who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member

of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 614. This act and all authority conferred hereunder shall terminate June 30, 1951, or at such earlier time as the Congress by concurrent resolution or the President by proclamation may designate.

GENERAL LEAVE TO EXTEND REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to revise and extend their remarks on the bill H. R. 9176.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERSONAL EXPLANATION

Mr. CANNON. Mr. Speaker, I am recorded as not voting on roll call No. 230. I was present in the Chamber, and I ask to be recorded as voting "no."

The SPEAKER. Without objection, the correction will be made.

There was no objection.

PROGRAM FOR WEEK OF AUGUST 14

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time to find out from our distinguished majority leader as to the program for next week.

Mr. McCORMACK. Monday: There is a discharge petition which it is in order to call up on Monday but I cannot advise the Members whether it will be called up or not because any one of those who signed the petition can call it up. I am sorry I cannot give any definite information, but I am not going to take any responsibility that I am not reasonably certain I can carry out if I make a promise with reference to it.

Mr. MARTIN of Massachusetts. The assumption is that the bill will be called up.

Mr. McCORMACK. From information that I have received the assumption is that it will be called. I think my friend from Massachusetts will agree with that. Am I correct?

Mr. MARTIN of Massachusetts. That is what I understand.

Mr. McCORMACK. The discharge petition is on a bill before the Committee on the Post Office and Civil Service relating to the curtailment of postal service.

Outside of that it is District Day and there are four district bills on the calendar for that day:

H. R. 9047, to authorize the Commissioners of the District of Columbia to regulate the keeping and running at large of goats.

Mr. MARTIN of Massachusetts. Are there many of those in the District, or are they yet to come?

Mr. McCORMACK. I do not know how many four-legged ones there are.

Mr. MARTIN of Massachusetts. How many two-legged ones?

Mr. McCORMACK. The second bill is H. R. 7240, amending the existing law relating to barbers;

H. R. 4281, an act limiting the number of taxicabs;

S. 3659, relating to dealers' identification tags.

Then there is the bill S. 192 relating to the Indians of New York State in which the gentleman from New York [Mr. REED] is very much interested.

Mr. MARTIN of Massachusetts. I thought we passed that.

Mr. McCORMACK. No; it was called twice on the Consent Calendar. An amendment was offered to it by the gentleman from Oklahoma [Mr. MORRIS] but consent was not given for its consideration.

Then there is House Joint Resolution 516 dealing with German enemy assets.

Tuesday: The Private Calendar will be called on Tuesday. I wish the gentleman would correct his notice so that he will put that down. I overlooked it.

Mr. MARTIN of Massachusetts. I have it on my notice; I thank the gentleman.

Mr. McCORMACK. Then, of course, if any of the bills scheduled for consideration on Monday are not finished they will be continued on Tuesday.

H. R. 8594, facilities for the reserve components of the armed services. A rule is out on that bill.

H. R. 6277, relating to the Russian Railway Service Corps. That is a bill which the gentleman from California [Mr. HAVENNER] introduced and which we could not take up before because of his inability to be here due to family illness.

Wednesday: The social security conference report will be taken up Wednesday, and continuing Wednesday, Thursday, and Friday, will be the Federal judgeship bills.

Of course, if the Committee on Rules reports out a rule on any legislation reported out of a standing committee that the leadership feels ought to be brought up it will be considered.

This means that the judgeship bills are sort of fill-in business.

Mr. MARTIN of Massachusetts. Has the gentleman any information about the appropriation conference report?

Mr. McCORMACK. No, I have not.

Mr. MARTIN of Massachusetts. Also I understand there is another appropriation bill yet to come.

Mr. McCORMACK. There is the emergency appropriation bill. The best information I have is from the gentleman from Missouri [Mr. CANNON] and that is the best possible information, that it will be ready week after next.

Mr. MARTIN of Massachusetts. Both of them?

Mr. McCORMACK. The emergency appropriation bill.

Any further program or changes will be announced later. Conference reports, of course, may be brought up at any time.

WITHDRAWAL OF EXTENSION OF REMARKS

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that I may have stricken from the permanent Record an extension of remarks I inserted on August 7, 1950, appearing on page A5975 of the daily Record, and that the Public Printer be instructed not to make any reprints of the aforesaid extension.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ANNOUNCEMENT

Mr. WIDNALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WIDNALL. Mr. Speaker, at the time of roll call No. 228 I was detained at the Naval Hospital under doctor's orders. If I had been present at that time I would have voted "yea" on that roll call.

SPECIAL ORDER GRANTED

Mr. LANE asked and was given permission to address the House for 15 minutes today following the legislative program and any special orders heretofore entered.

DR. JOSEPH L. PFEIFER

Mr. CAVALCANTE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CAVALCANTE. Mr. Speaker, I take great pleasure at this time in saying a few words of praise for our colleague, Dr. JOSEPH L. PFEIFER.

Since I have been in Congress, I have admired the activities of this man on matters pertaining to the welfare of his constituents particularly those of Italian descent. His recent trips to Europe, his private audiences with His Holiness, Pope Pius XII, and with Prime Minister DeGasperi and Foreign Minister Sforza have done much to help in the reconstruction and the rehabilitation of Italy.

His latest report to the Congress as the result of his most recent trip dealt with the unemployment situation in Italy and means to overcome it. He has been praised by the State Department for the position he has taken on various matters of deep concern to all.

The work of Dr. PFEIFER is well known to all the Members of Congress. Because of his ability as a legislator and his devotion to his duties, I feel greatly honored to be associated with this fine statesman in the House of Representatives and I consider him as one of the best friends of the Americans of Italian extraction.

His son, Thomas E. Pfeifer, and my son, Anthony Cavalcante, Jr., are graduates of the United States Military Academy at West Point. They are now both serving as lieutenants in the armed services of their country.

His record warrants his return to Congress.

PERMISSION TO ADDRESS THE HOUSE

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, failure to provide a dependents allotment program for the armed services is producing a serious morale problem. Men are being sent overseas in ever-increasing numbers, and most of these shipments involve a disruption of home life. Their dependents are in most cases deprived of benefits they enjoyed at military posts and as a result they are confronted with increased costs of living.

Thus far the servicemen and their families are the only ones who have had to give up anything as a result of the Korean conflict. The least we can do is to give these people a decent break and to provide dependents' allotments for them. They are doing our fighting. It is time for us to do some fighting for them.

AMENDMENT TO SECTION 14 OF THE MERCHANT SHIP SALES ACT OF 1946, AS AMENDED

Mr. HART. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 193.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There being no objection, the Clerk read the Senate joint resolution, as follows:

Resolved, etc., That section 14 of the Merchant Ship Sales Act of 1946, as amended, is amended by striking out the word "or" after the word "contract" where it appears the second time and inserting in lieu thereof the word "of," so that the section as amended will read as follows:

"Sec. 14. No contract of sale shall be made under this act after January 15, 1951, and no contract of charter shall be made under this act after June 30, 1950, except as provided for charter under subsections (e) and (f) of section 5 hereof, as amended."

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HELEN M. BOOTH

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take

from the Speaker's desk the bill (H. R. 4136) for the relief of Helen M. Booth, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 1, line 7, strike out "negligence of" and insert "failure of the."

Page 2, line 4, after "Act", insert "Provided, however, That the passage of this act shall not in any way be construed as an inference of liability on the part of the United States Government."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

AMENDING THE HATCH ACT

Mr. HARRISON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 9023) to amend the Hatch Act, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That section 9 of the act entitled 'An act to prevent pernicious political activities,' approved August 2, 1939, is amended by striking out subsection (b) and inserting in lieu thereof the following subsections:

"(b) Any person violating the provisions of this section shall be removed immediately from the position or office held by him, and thereafter no part of the funds appropriated by any act of Congress for such position or office shall be used to pay the compensation of such person: *Provided, however,* That the United States Civil Service Commission finds by unanimous vote that the violation does not warrant removal, a lesser penalty shall be imposed by direction of the Commission: *Provided further,* That in no case shall the penalty be less than 90 days' suspension without pay: *And provided further,* That in the case of any person who has heretofore been removed from the service under the provisions of this section, the Commission shall upon request of said person reopen and reconsider the record in such case. If it shall find by a unanimous vote that the acts committed were such as to warrant a penalty of less than removal it shall issue an order revoking the restriction against reemployment in the position from which removed, or in any other position for which he may be qualified, but no such revocation shall become effective until at least 90 days have elapsed following the date of the removal of such person from office.

"(c) At the end of each fiscal year the Commission shall report to the President for transmittal to the Congress the names, addresses, and nature of employment of all persons with respect to whom action has been taken by the Commission under the terms of this section, with a statement of the facts upon which action was taken, and the penalty imposed."

"Sec. 2. Section 612 of title 18, United States Code, is hereby amended to read as follows:

"§ 612. Publication or distribution of political statements.

"Whoever willfully publishes or distributes or causes to be published or distributed, or for the purpose of publishing or distributing the same, knowingly deposits for

mailing or delivery or causes to be deposited for mailing or delivery, or, except in cases of employees of the Post Office Department in the official discharge of their duties, knowingly transports or causes to be transported in interstate commerce any card, pamphlet, circular, poster, dodger, advertisement, writing, or other statement relating to or concerning any person who has publicly declared his intention to seek the office of President, or Vice President of the United States, or Senator or Representative in, or Delegate or Resident Commissioner to Congress, in a primary, general, or special election, or convention of a political party, or has caused or permitted his intention to do so to be publicly declared, which does not contain the names of the persons, associations, committees, or corporations responsible for the publication or distribution of the same, and the names of the officers of each such association, committee, or corporation, shall be fined not more than \$1,000 or imprisoned not more than 1 year, or both."

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

FRITZ BUSCHE

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 602) for the relief of Fritz Busche, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 11, strike out all after "orders." over to and including line 4, on page 2.

Page 2, after line 4, insert:

"SEC. 2. Not more than 10 percent in value of the property with respect to which vesting orders are revoked pursuant to this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such revocation, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

JOHN II ESTATE, LTD.

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4989), to provide for the payment of just compensation to John II Estate, Ltd., a Hawaiian corporation, for the taking by the United States of private fishery rights in Pearl Harbor, island of Oahu, T. H., with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 4, after "pay", insert "out of any money in the Treasury not otherwise appropriated."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

HISTORICAL FRIEZE IN ROTUNDA OF CAPITOL

Mr. ALBERT. Mr. Speaker, I call up the conference report on the joint resolution—House Joint Resolution 21—to provide for the utilization of a part of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray the story of aviation, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2803)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 21) to provide for the utilization of a part of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray the story of aviation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, and 6, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "including the small isolated section added in 1917-1918, to complete the history up to the beginning of the twentieth century, including the portrayal of (1) the Civil War and the Spanish-American War"; and (3) the birth of aviation in the United States. Approximately ten feet of said unfinished portion next to the portrayal of 'Landing of Columbus' shall be used to portray the birth of aviation in the United States. The remainder of said unfinished portion shall be used for the portrayal of the Civil War and the Spanish-American war"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the joint resolution and agree to the same.

CARL ALBERT,
EDWARD A. GARMATZ,
C. W. BISHOP,

Managers on the Part of the House.

THEODORE FRANCIS GREEN,
JOHN C. STENNIS,
H. C. LODGE, JR.,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 21) to provide for completion of the rotunda frieze, submit the following statement in explanation of the effect of the action agreed

upon by the conferees and recommended in the accompanying conference report:

All of the Senate amendments were directed toward enlarging the scope of the original resolution, which provided only for the story of aviation. The Senate committee handling the bill deemed it advisable to finish off the uncompleted portion of the frieze, once and for all, and to that end directed itself to the task of selecting the most appropriate subjects. Thus, to the birth of aviation in the United States, the subject specified in the House version, the Senate added (1) the Civil War, and (2) the Spanish-American War. It was the sense of the Senate that this broad plan would have definite advantage over a piecemeal arrangement which would tax the ingenuity of any artist or succession of artists, who might be commissioned to do the work on the frieze.

Amendment No. 1 strikes out the space-limitation factor contained in the original resolution.

Amendments 3 and 4 strikes out the subject limitation contained in the original resolution, and inserts a broad description.

Amendment 5 provides an insertion whereby a single artist might be employed for the work authorized by the resolution.

Amendment 6 is a technical amendment which removes a possessive pronoun whose antecedent was altered by amendment 5.

The title was amended in the Senate to incorporate the new features specified in the resolution.

The managers on the part of the House have no objection to this more comprehensive legislation. It would finally resolve an issue which has had more than its share of discussion in past Congresses since the turn of the century. Previous Congresses have authorized various work on the frieze, but the money was never appropriated.

The one amendment of the Senate, No. 2, which the House managers thought ought to have a clarifying amendment is explained as follows: The original resolution was introduced on behalf of aviation and the Wright brothers. There is no objection to the addition of the two subjects proposed by the Senate, but in order that aviation does get full recognition the House desired to amend the amendment of the Senate which listed the subjects, to the end that aviation's portrayal would be sure of getting approximately 10 feet of the space to be filled.

CARL ALBERT,
EDWARD A. GARMATZ,
C. W. BISHOP,

Managers on the Part of the House.

The conference report was agreed to.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate insists upon its amendment to the bill (H. R. 2234) entitled "An act for the relief of Mrs. Gladys J. Senyohl McCarthy"; disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCARRAN, Mr. EASTLAND, and Mr. WILEY to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3921) entitled "An act to provide for the temporary appointment of referees in bankruptcy, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GRAHAM, Mr. KEFAUVER, and

Mr. DONNELL to be the conferees on the part of the Senate.

PROCEEDINGS AGAINST JULIUS Emspak

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report—Report No. 2847.

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING JULIUS Emspak

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, caused to be issued a subpoena to Julius Emspak, United Electrical, Radio, and Machine Workers of America, 11 East Fifty-first Street, New York, N. Y. The said subpoena directed Julius Emspak to be and appear before said Committee on Un-American Activities on November 29, 1949, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpoena served upon said Julius Emspak is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to Alvin W. Stokes. You are hereby commanded to summon Mr. Julius Emspak, to be and appear before the Subcommittee on Un-American Activities of the House of Representatives of the United States, of which the Honorable John S. Wood is chairman, in their chamber in the city of Washington, room 226, Old House Office Building, on Tuesday, November 29, 1949, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not, and make return of this summons. Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 1st day of November 1949.

"JOHN S. WOOD,
"Chairman.

"Attest:

"[SEAL]

"RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpoena was duly served as appears by the return made thereon by Alvin W. Stokes, who was duly authorized to serve the said subpoena. The return of the service by the said Alvin W. Stokes, being endorsed thereon, is set forth in words and figures, as follows:

Served November 16, 1949, 5:10 p. m., at UE offices, 11 East Fifty-first Street, New York City.

ALVIN W. STOKES.

On November 22, 1949, a telegram was sent to Mr. Julius Emspak which is set forth in words and figures, as follows:

WASHINGTON, D. C., November 22, 1949.

Mr. JULIUS Emspak,
United Electrical, Radio, and Machine Workers of America,
11 East Fifty-first Street,
New York, N. Y.:

Your appearance before the Committee on Un-American Activities is postponed until December 1, 1949, at 10:30 a. m. Subpena served upon you on November 16 continues in force and effect.

JOHN S. WOOD,
Chairman.

On November 28, the following telegram was sent to Mr. Julius Emspak, which is set forth herein in words and figures, as follows:

WASHINGTON, D. C., November 28, 1949.
Mr. JULIUS Emspak,
United Electrical, Radio, and Machine Workers of America,
11 East Fifty-first Street,
New York, N. Y.:

Your appearance before the Committee on Un-American Activities is postponed until December 5, 1949, at 10:30 a. m. Subpena served upon you on November 16 continues in force and effect.

JOHN S. WOOD,
Chairman.

The said Julius Emspak, pursuant to said subpoena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress. The said Julius Emspak having appeared as a witness and having been asked questions, namely:

"Mr. Emspak, are you acquainted with Joseph Persily?"

"In what capacity is Joseph Persily associated with the UE at this time?"

"Is he an organizer in the UE?"

"Are you acquainted with Albert Smith?"

"Is he employed by the UE?"

"Mr. Emspak, has Max Helford ever been connected with UE as a field organizer?"

"Do you know them or not?"

"Is Max Helford at the present time a field organizer for the UE?"

"Was Phil Saba originally from local 155?"

"And is he now a field organizer for the UE in district 1?"

"Is Hank Rhine presently an international representative of the UE?"

"Is Jack Gorelick now affiliated with the UE?"

"Is Ernest Moyer a field organizer for UE in the Easton area?"

"Do you know James Lustig?"

"Is he an international representative of UE?"

"Is Morris Kersten an international representative of UE?"

"Is Fred Haug an international representative of UE?"

"Is Charles Newell an international representative of UE?"

"Is Leo Turner a field organizer in district 6?"

"Is Hugh Harley a field organizer for UE?"

"Is Arthur Garfield an international representative of UE?"

"Is Ernest DeMaio presently an international representative of UE?"

"Is Henry Fierling a field organizer for the UE?"

"Is Herbert Hirschberg an international representative of UE?"

"Is K. M. Kirkendahl a field organizer of the UE?"

"Is Robert Harrison a field organizer of the UE?"

"Is William Santora a field organizer of the UE?"

"Is Marcel Scherer an international representative of the UE?"

"Is Louis I. Sorti a field organizer of the UE?"

"Is Philip V. Gelder an international representative of the UE?"

"Is Perez Zagorin a field organizer of the UE?"

"Is Carl Brandt connected or associated in any way as an international representative or otherwise with UE?"

"Is Al Clough a field organizer?"

"Is Kermit Kirkendahl a field organizer?"

"Is John Thomas a field organizer?"

"Is Fred Keller a field organizer with UE?"

"Is John Mitchell a field organizer?"

"Is Fred Sheppard a field organizer?"

"Is L. B. Slagle a field organizer with UE?"

"Is Martin Sramek a field organizer with UE?"

"Is Robert B. Logsdon an international representative of UE?"

"John Bittman is a field organizer, is he not?"

"Is William B. Elconon an international representative?"

"Is H. M. Martinson a field organizer?"

"Is Irene Berman an international representative?"

"Is Allan Bjorklund a field organizer?"

"Is Thomas Foley a field organizer?"

"Is Robert Kirkwood an international representative?"

"Is Lee Lundgren an international representative?"

"Is William Mauseth a field organizer?"

"Is William Sheehan a field organizer?"

"Is Phillip H. Smith an international representative with the UE?"

"Do you know John T. Bernard?"

"Is he a field organizer for the UE in the Chicago district?"

"Is Peter Besch an international representative?"

"Is T. Louis Majors an international representative?"

"Is Robert McNaughton a field organizer?"

"Is John Paradise a field organizer?"

"Is Nick Tomasetti a field organizer?"

"Mr. Emspak, have you ever been affiliated with the National Federation for Constitutional Liberties?"

"Mr. Emspak, have you ever been associated with the Civil Rights Congress?"

"Louis Budenz was former editor of the Daily Worker, was he not?"

"Are you acquainted with James MacLeish?"

"Is he now president of district 4, United Electrical, Radio, and Machine Workers of America?"

"Are you acquainted with Salvatore M. Vottis?"

"On July 25, 1947, Mr. Emspak, Mr. Vottis, in sworn testimony before this committee, stated that he had attended fraction meetings of the Communist Party along with you and other members of the UE. Do you deny or affirm the statement made by Mr. Vottis?"

"Mr. Emspak, Mr. Vottis also testified you attended Communist Party meetings held in his home in Schenectady, N. Y. Do you deny or affirm that statement?"

"At this time are you a member of the Communist Party?"

"Were you a member of the Communist Party at any time before you signed the affidavit?"

"Have you ever paid Communist Party dues?"

"Have you ever signed an application to join the Communist Party?"

"Have you ever registered as a member of the Communist Party?"

"Did you, as a member of the Communist Party attend the trial of Earl Browder at Communist Party headquarters in New York City?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of said Julius Emspak's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpoena served upon the said Julius Emspak.

The record of the proceedings before the committee on December 5, 1949, during which Julius Emspak refused to answer the aforesaid questions pertinent to the subject under inquiry is set forth in fact as follows:

"The subcommittee of one met, pursuant to call, at 3:30 p. m. in room 226, Old House

Office Building, Hon. MORGAN M. MOULDER, presiding.

"Committee member present: Hon. MORGAN M. MOULDER.

"Mr. MOULDER. The committee will come to order. Let the record show that on November 8, 1949, the Honorable JOHN S. WOOD, chairman of the Committee on Un-American Activities, ordered, authorized, and directed MORGAN M. MOULDER, a member of this committee, as a subcommittee thereof, to hold, conduct, and preside over hearings scheduled for this day.

"Mr. MOULDER. You solemnly swear the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. EMSPAK. I do.

"Mr. TAVENNER. Mr. Empsak, are you acquainted with Joseph Persily?

"Mr. EMSPAK. Mr. Chairman, I would like to say something at this point.

"Mr. MOULDER. You mean in response to the question?

"Mr. EMSPAK. I will answer the question; yes, in response to the question and as a statement of position.

"What I say revolves around two points, one organizationally and another as an individual. Organizationally, my job as an officer of this union is to represent the interest of the membership as they determine it at the annual conventions and at other means they have of getting together and expressing themselves. My job is to administer that aspect to the best of my ability, using one very simple measuring stick, and that is: Does a given policy or action contribute to the well-being of the membership, individually and collectively?

"As an individual I would like to say one thing, and that is this: The line of questioning that counsel is developing now is a line that has been used on numerous occasions by this committee and other congressional committees in an attempt to harass the union, its leadership, and its members. It is a line of questioning that goes against my grain as an American. I was born in this country. Everything I am—

"Mr. MOULDER. How long will this statement take, Mr. Empsak?

"Mr. EMSPAK. About two or three more minutes.

"Mr. MOULDER. Proceed.

"Mr. EMSPAK. Everything I am, I owe to the rich heritage and tradition of this country. I do not believe that a committee of this kind, especially in view of the recent record of this committee where it stooped to interfere in the partisan affairs of a local union, or any congressional committee, because of the rich tradition of this country which, if not perverted, will lead to a greater and better country—I don't think a committee like this or any subcommittee has a right to go into any question of my beliefs, my associations, or anything else. I have a couple of kids. They have a stake in this country, too.

"Mr. MOULDER. I want to give you full opportunity to express yourself in answer to the question, but you are making an oration now.

"Mr. EMSPAK. It is not an oration. It happens to be a very profound personal feeling.

"Mr. MOULDER. What is the question?

"Mr. TAVENNER. The question is: Are you acquainted with Joseph Persily?

"Mr. MOULDER. How do you spell that?

"Mr. TAVENNER. P-e-r-s-i-l-y.

"Mr. EMSPAK. Because I have a stake in this country—

"Mr. MOULDER. You are not answering the question. He asked you if you are acquainted with this man.

"Mr. EMSPAK. I will answer it.

"Mr. MOULDER. Are you or not?

"Mr. EMSPAK. I was on the verge of answering it.

"Mr. MOULDER. If you have any explanation to make you will be permitted to do so after you answer the question.

"Mr. EMSPAK. Because of my interest in what is going on these days, because of the activities of this committee—

"Mr. MOULDER. Are you going to answer the question?

"Mr. EMSPAK. Because of the hysteria, I think it is my duty to endeavor to protect the rights guaranteed under the Constitution, primarily the first amendment, supplemented by the fifth. This committee will corrupt those rights.

"Mr. MOULDER. Do you think it corrupts you to answer the question?

"Mr. EMSPAK. I certainly do.

"Mr. MOULDER. Why does it corrupt you?

"Mr. EMSPAK. Your activities are designed to harm the working people of this country. Every action this committee has ever taken has done that. You interfered last summer in the election of a local union at the request of a priest. You know that. You dragged down the prestige of this country.

"Mr. MOULDER. You are not going to take over this committee.

"Mr. EMSPAK. I don't want to.

"Mr. MOULDER. And your statements are preposterous. The purpose of this committee is to expose communism as it exists in this country. What is the question?

"Mr. TAVENNER. Are you acquainted with Joseph Persily?

"Mr. EMSPAK. For the reasons I stated before, I answered it.

"Mr. MOULDER. Then you refuse to answer the question?

"Mr. EMSPAK. No. I answered it.

"Mr. TAVENNER. Are you or are you not acquainted with Joseph Persily?

"Mr. EMSPAK. I answered the question.

"Mr. TAVENNER. Your replies are a refusal to comply with the request to answer it?

"(Witness confers with his counsel.)

"Mr. MOULDER. The record will reveal that you have not answered the question.

"Mr. EMSPAK. I have answered it to the best of my ability under the circumstances.

"Mr. MOULDER. Any further questions?

"Mr. TAVENNER. Yes. In what capacity is Joseph Persily associated with the UE at this time?

"Mr. EMSPAK. It is the same question over again. I will give the same answer.

"Mr. TAVENNER. Is he an organizer in the UE?

"Mr. EMSPAK. Mr. Chairman, it is the same question.

"Mr. TAVENNER. You refuse to answer that?

"Mr. EMSPAK. I answered it.

"Mr. TAVENNER. Are you acquainted with Albert Smith?

"Mr. EMSPAK. The same answer applies to that.

"Mr. TAVENNER. In other words, you are refusing to answer whether you are acquainted with him or not?

"Mr. EMSPAK. I have answered the question as I see the answer.

"Mr. TAVENNER. Is he employed by UE?

"Mr. EMSPAK. Mr. Chairman, I answered the question.

"Mr. MOULDER. Could you tell us who those people are, Mr. Counsel?

"Mr. EMSPAK. Excuse me, please.

"(Witness confers with his counsel.)

"Mr. TAVENNER. Joseph Persily and Albert Smith are the two persons whose names were mentioned.

"Mr. MOULDER. Who is Joseph Persily?

"Mr. TAVENNER. I thought he was connected with the UE, but I am unable to un-

derstand from this witness what the connection is, if any.

"Mr. MOULDER. Do our records reveal who he is?

"Mr. TAVENNER. I do not know whether they do or not, Mr. Chairman.

"Mr. Empsak, has Max Helford ever been connected with UE as a field organizer?

"Mr. EMSPAK. Mr. Chairman, on these questions, which are all essentially the same, of course, when this hearing was announced according to the press reports, at least, it was announced because this committee presumably was interested in finding out things with reference to individuals in our organization by using whatever means it has at its disposal, and for the purpose of trying to perhaps frame people for possible criminal prosecution.

"I don't see how or why any individual should be subjected to that kind of questioning here if he is going to maintain, you know, his feelings on these questions, and I tried to express the feeling before when you interrupted me. I just don't intend, as I said then, to be a party to any kangaroo court proceedings of this committee or any other congressional committee. I think I have the right to reserve whatever rights I have in that respect to whatever appropriate bodies may be set up to deal with questions that come up.

"Mr. MOULDER. Do you mean to say you have people in your organization who have information that would subject you to criminal prosecution?

"Mr. EMSPAK. No; I don't, Mr. Chairman. As a basic proposition—and it has worked over the years and over the last few months as far as this committee is concerned—a slick job—

"Mr. MOULDER. Do you know them or not?

"Mr. EMSPAK. That does not concern this committee at all.

"Mr. MOULDER. Is it your feeling that to reveal your knowledge of them would subject you to criminal prosecution?

"Mr. EMSPAK. No; I don't think this committee has a right to pry into my associations. That is my own position.

"Mr. TAVENNER. Is Max Helford at the present time a field organizer for the UE?

"Mr. EMSPAK. Mr. Chairman, that is repetition of basically the same question, and the same answer stands.

"Mr. TAVENNER. Was Phil Saba originally from local 155?

"Mr. EMSPAK. I answered that question.

"Mr. TAVENNER. And is he now a field organizer for the UE in district 1?

"Mr. EMSPAK. I answered that question and that is the only answer I will give on any of my associations, for the reasons stated.

"Mr. TAVENNER. Is Hank Rhine presently an international representative of the UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Jack Gorelick now affiliated with the UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Ernest Moyer a field organizer for UE in the Easton area?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Do you know James Lustig?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is he an international representative of UE?

"Mr. EMSPAK. We can go on endlessly like this, I suppose, but the same answer holds.

"Mr. TAVENNER. Is Morris Kersten an international representative of UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Fred Haug an international representative of UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Charles Newell an international representative of UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Leo Turner a field organizer in district 6?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Hugh Harley a field organizer for UE?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Arthur Garfield an international representative of UE?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Ernest De Malo presently an international representative of UE?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Henry Flering a field organizer for the UE?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Herbert Hirschberg an international representative of UE?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is K. M. Kirkendahl a field organizer of the UE?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Robert Harrison a field organizer of the UE?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is William Santora a field organizer of the UE?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Marcel Scherer an international representative of the UE?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Louis I. Sorti a field organizer of the UE?
 "Mr. EMSPAK. Same answer.
 "Mr. MOULDER. Same answer is your refusal to answer for the reasons given?
 "Mr. EMSPAK. I gave specific reasons why I felt I should not participate in this kind of questioning, and I stand by that.
 "Mr. TAVENNER. Is Philip V. Gelder an international representative of the UE?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Perez Zagorin a field organizer of the UE?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Carl Brandt connected or associated in any way as an international representative or otherwise with UE?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Al Clough a field organizer?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Kermit Kirkendahl a field organizer?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is John Thomas a field organizer?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Fred Keller a field organizer with UE?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is John Mitchell a field organizer?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Fred Sheppard a field organizer?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is L. B. Slagle a field organizer with UE?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Martin Sramek a field organizer with UE?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Robert B. Logsdon an international representative of UE?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. John Bittman is a field organizer, is he not?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is William B. Elconon an international representative?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is H. M. Martinson a field organizer?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Anthony De Malo an international representative of your union?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Irene Berman an international representative?
 "Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Allan Bjorklund a field organizer?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Thomas Foley a field organizer?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Robert Kirkwood an international representative?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Lee Lundgren an international representative?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is William Mauseth a field organizer?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is William Sheehan a field organizer?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Phillip H. Smith an international representative with the UE?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Do you know John T. Bernard?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is he a field organizer for the UE in the Chicago district?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Peter Besch an international representative?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is T. Louis Majors an international representative?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Robert McNaughton a field organizer?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is John Paradise a field organizer?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is Nick Tomasetti a field organizer?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Mr. Emspak, have you ever been affiliated with the National Federation for Constitutional Liberties?
 "Mr. EMSPAK. I answered that, Mr. Chairman.
 "Mr. TAVENNER. I say, have you ever been affiliated with such an organization?
 "Mr. EMSPAK. I answered that.
 "Mr. MOULDER. You mean you refuse to answer for the reasons previously stated?
 "Mr. EMSPAK. I answered it in the terms I did when I said as far as my associations and affiliations are concerned, that is something a committee of this kind should not pry into.
 "Mr. TAVENNER. In other words, you do not care to disclose whether you are affiliated with that organization?
 "Mr. EMSPAK. I answered that.
 "Mr. TAVENNER. Mr. Emspak, have you ever been associated with the Civil Rights Congress?
 "Mr. EMSPAK. Again, basically the whole line of questions is the same, so I will say I take the same position I expressed earlier.
 "Mr. TAVENNER. Are you familiar with the fact that the Civil Rights Congress has also been cited as a Communist-front organization by the Attorney General?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Are you acquainted with Louis Budenz?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Louis Budenz was former editor of the Daily Worker, was he not?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. You are acquainted with the fact, are you not, that on March 18, 1947, in testimony before a committee of Congress, he identified you as a member of the Communist Party?
 "Mr. EMSPAK. Whatever Budenz does, don't ask me to underwrite. Sure, I am acquainted with him.
 "Mr. TAVENNER. You know that he did so identify you as a member of the Communist Party. Do you desire to deny it?

"Mr. EMSPAK. I have no desire to express any opinion on my associations to this committee for the reasons I stated.
 "Mr. TAVENNER. So you decline to deny or affirm that you were a member of the Communist Party?
 "Mr. EMSPAK. I answered the question.
 "Mr. TAVENNER. Are you acquainted with James MacLeish?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Is he now president of district 4, United Electrical, Radio, and Machine Workers of America?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. Are you acquainted with Salvatore M. Vottis?
 "Mr. EMSPAK. Same answer.
 "Mr. TAVENNER. That is all you care to say about that?
 "Mr. EMSPAK. Same answer, that is all.
 "Mr. TAVENNER. On July 25, 1947, Mr. Emspak, Mr. Vottis, in sworn testimony before this committee, stated that he had attended fraction meetings of the Communist Party along with you and other members of the UE. Do you deny or affirm the statement made by Mr. Vottis?
 "Mr. EMSPAK. I won't discuss it at all other than in the terms I have.
 "Mr. TAVENNER. Mr. Emspak, Mr. Vottis also testified you attended Communist Party meetings held in his home in Schenectady, N. Y. Do you deny or affirm that statement?
 "Mr. EMSPAK. I neither deny nor affirm it, Mr. Chairman.
 "Mr. TAVENNER. At this time are you a member of the Communist Party?
 "Mr. EMSPAK. I answered that when I said the affidavit speaks for itself.
 "Mr. TAVENNER. Is that all the answer you care to give?
 "Mr. EMSPAK. I should think that is plenty.
 "Mr. TAVENNER. The affidavit spoke as of the date you gave it some months back, but you are not willing to speak now as to what you are?
 "Mr. EMSPAK. I understand an affidavit to be an affidavit, a document that is binding when one undertakes to subscribe to it. I further understand that the motives of this committee are to establish a beautiful frame to hang people who try to comply with the law. O. K. The affidavit is binding and that is that.
 "Mr. TAVENNER. Is that all you have to say?
 "Mr. EMSPAK. I think that answers the question fully and completely.
 "Mr. TAVENNER. Were you a member of the Communist Party at any time before you signed the affidavit?
 "Mr. EMSPAK. That I will answer the same way I did about an hour ago.
 "Mr. TAVENNER. Have you ever paid Communist Party dues?
 "Mr. EMSPAK. I answered that.
 "Mr. TAVENNER. Have you ever signed an application to join the Communist Party?
 "Mr. EMSPAK. I answered that.
 "Mr. TAVENNER. Have you ever registered as a member of the Communist Party?
 "Mr. EMSPAK. I answered that.
 "Mr. TAVENNER. Did you, as a member of the Communist Party attend the trial of Earl Browder at Communist Party headquarters in New York City?
 "Mr. EMSPAK. I answered that.
 "Mr. MOULDER. You mean you refuse to answer for the same reasons you gave at the beginning?
 "Mr. EMSPAK. That is correct. I answered the best way I know how."
 Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Julius Emspak relative to the subject matter which, under Public Law 60, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, the said com-

mittee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Mr. Emspak, are you acquainted with Joseph Persily?"

"In what capacity is Joseph Persily associated with the UE at this time?"

"Is he an organizer in the UE?"

"Are you acquainted with Albert Smith?"

"Is he employed by the UE?"

"Mr. Emspak, has Max Helford ever been connected with UE as a field organizer?"

"Do you know them or not?"

"Is Max Helford at the present time a field organizer for the UE?"

"Was Phil Saba originally from local 155?"

"And is he now a field organizer for the UE in district 1?"

"Is Hank Rhine presently an international representative of the UE?"

"Is Jack Gorelick now affiliated with the UE?"

"Is Ernest Moyer a field organizer for UE in the Easton area?"

"Do you know James Lustig?"

"Is he an international representative of UE?"

"Is Morris Kersten an international representative of UE?"

"Is Fred Haug an international representative of UE?"

"Is Charles Newell an international representative of UE?"

"Is Leo Turner a field organizer in district 6?"

"Is Hugh Harley a field organizer for UE?"

"Is Arthur Garfield an international representative of UE?"

"Is Ernest De Maio presently an international representative of UE?"

"Is Henry Fiering a field organizer for the UE?"

"Is Herbert Hirschberg an international representative of UE?"

"Is K. M. Kirkendahl a field organizer of the UE?"

"Is Robert Harrison a field organizer of the UE?"

"Is William Santora a field organizer of the UE?"

"Is Marcel Scherer an international representative of UE?"

"Is Louis I. Sorti a field organizer of the UE?"

"Is Philip V. Gelder an international representative of the UE?"

"Is Perez Zagorin a field organizer of the UE?"

"Is Carl Brant connected or associated in any way as an international representative or otherwise with UE?"

"Is Al Clough a field organizer?"

"Is John Thomas a field organizer?"

"Is Kermit Kirkendahl a field organizer?"

"Is Fred Keller a field organizer with UE?"

"Is John Mitchell a field organizer?"

"Is Fred Sheppard a field organizer?"

"Is L. B. Slagle a field organizer with UE?"

"Is Martin Sramek a field organizer with UE?"

"Is Robert B. Logsdon an international representative of UE?"

"John Bittman is a field organizer, is he not?"

"Is William B. Elconon an international representative?"

"Is H. M. Martinson a field organizer?"

"Is Irene Berman an international representative?"

"Is Allan Bjorklund a field organizer?"

"Is Thomas Foley a field organizer?"

"Is Robert Kirkwood an international representative?"

"Is Lee Lundgren an international representative?"

"Is William Mauseth a field organizer?"

"Is William Sheehan a field organizer?"

"Is Phillip H. Smith an international representative with the UE?"

"Do you know John T. Bernard?"

"Is he a field organizer for the UE in the Chicago district?"

"Is Peter Besch an international representative?"

"Is T. Louis Majors an international representative?"

"Is Robert McNaughton a field organizer?"

"Is John Paradise a field organizer?"

"Is Nick Tomasetti a field organizer?"

"Mr. Emspak, have you ever been affiliated with the National Federation for Constitutional Liberties?"

"Mr. Emspak, have you ever been associated with the Civil Rights Congress?"

"Louis Budenz was former editor of the Daily Worker, was he not?"

"Are you acquainted with James MacLeish?"

"Is he now president of district 4, United Electrical, Radio, and Machine Workers of America?"

"As you acquainted with Salvatore M. Vottis?"

"On July 25, 1947, Mr. Emspak, Mr. Vottis, in sworn testimony before this committee, stated that he had attended fraction meetings of the Communist Party along with you and other members of the UE. Do you deny or affirm the statement made by Mr. Vottis?"

"Mr. Emspak, Mr. Vottis also testified you attended Communist Party meetings held in his home in Schenectady, N. Y. Do you deny or affirm that statement?"

"At this time are you a member of the Communist Party?"

"Were you a member of the Communist Party at any time before you signed the affidavit?"

"Have you ever paid Communist Party dues?"

"Have you ever signed an application to join the Communist Party?"

"Have you ever registered as a member of the Communist Party?"

"Did you, as a member of the Communist Party attend the trial of Earl Browder at Communist Party headquarters in New York City?"

which questions were pertinent to the subject under inquiry, is a violation of the subpoena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, in view of the fact that copies of the report are available to Members and are in the hands of the Doorkeeper, I ask unanimous consent that the further reading of the report be dispensed with.

Mr. MARCANTONIO. Reserving the right to object, Mr. Speaker, that is with the understanding that the report will be printed in full at this point in the RECORD?

Mr. WOOD. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 749) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Julius Emspak to answer questions before the said Committee on Un-American Activi-

ties, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the District of Columbia, to the end that the said Julius Emspak may be proceeded against in the manner and form provided by law.

Mr. WOOD. Mr. Speaker, under the rules and the parliamentary procedure governing debate on the resolution, I yield 30 minutes to the gentleman from California [Mr. NIXON], ranking minority member of our committee, and 15 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. Speaker, I now yield such time as he may desire to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Speaker, the issue here is a very simple one, namely: Has a committee of the Congress the right and authority to issue a subpoena requiring and compelling the attendance of a witness at a hearing of a committee, and to require and compel that witness to answer such questions as within the judgment of the committee are pertinent and relevant to the matter under investigation? That is the sole issue. If you find that this man Emspak refused to answer questions asked him by the committee, then it seems to me you can reach but one conclusion, namely, that he is in contempt of a committee and of the Congress.

Mr. Speaker, as to the contempt of this man there can be no question. He did not object to answering questions on the ground that they were incriminating. He did not object to the questions because he felt that under the first and fifth amendments of the Constitution he was protected to the extent that he did not have to answer those questions. He just did not see fit to answer any questions.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield.

Mr. MARCANTONIO. I think the gentleman wants to be fair and inasmuch as the record of the proceedings will be printed in the CONGRESSIONAL RECORD, I think the Members should be told that on page 4 at the bottom of the page the witness did give the reasons for not answering. He said:

Because of the hysteria, I think it is my duty to endeavor to protect the rights guaranteed under the Constitution—

And he cites what? He cites—primarily the first amendment, supplemented by the fifth.

So that he did ascribe for his refusal to answer the fifth amendment which is a prohibition against self-incrimination.

Mr. WALTER. Yes; that is right as to part of the questions. But let me point out to you how contemptuous this witness was of the committee. Mr. MOULDER asked this question first in connection with his knowledge of certain people:

Mr. MOULDER. Is it your feeling that to reveal your knowledge of them would subject you to criminal prosecution?

Mr. EMSPAK. No; I don't think this committee has a right to pry into my associations. That is my own position.

Mr. TAVENNER. Is Max Helford at the present time a field organizer for the UE?

Mr. EMSPAK. Mr. Chairman, that is repetition of basically the same question, and the same answer stands.

Further, Mr. Tavenner asked this question:

Mr. Emspak, have you ever been affiliated with the National Federation for Constitutional Liberties?

Mr. EMSPAK. I answered that, Mr. Chairman.

Mr. TAVENNER. I say, have you ever been affiliated with such an organization?

Mr. EMSPAK. I answered that.

Mr. MOULDER. You mean you refuse to answer for the reasons previously stated?

Mr. EMSPAK. I answered it in the terms I did when I said as far as my associations and affiliations are concerned, that is something a committee of this kind should not pry into.

Now, I respectfully submit that when the witness took that position he was going straight into the decision of the circuit court, in which the court held that a witness had no right to decide what might be self-incriminating and what might not be self-incriminating; that that was a question of fact; and that when he refused to answer that question, then he was taking a chance with the consequences.

The time has come, Mr. Speaker, when we must stop coddling people who have no respect whatsoever for those things which most of us hold dear. I am just as jealous as anyone within the hearing of my voice, yes, anyone within the District of Columbia or the United States, of the rights of our people, and I am the last person who would do anything to deprive anyone of the legitimate rights that they have; but it certainly seems to me that when we are dealing with people who, if they had any concern whatsoever for America, would be very happy to assist this committee in its efforts to show that the Communist Party is the agent of a foreign government, and instead of finding some frivolous excuse for not answering questions would come forward and say, "I am an American as much as you are. I want to help. This is what I know." But these people who have chosen to impede the work of this committee must be made to understand that our sovereignty must be protected.

The SPEAKER. The gentleman from Pennsylvania has consumed 7 minutes.

Mr. WOOD. Mr. Speaker, I yield to the gentleman from New York [Mr. MARCANTONIO] 15 minutes.

Mr. MARCANTONIO. Mr. Speaker, I realize that in dealing with this question today I am up against a situation whereby the rule of hysteria will be the rule of the day rather than the Constitution. However, I feel it my duty to make certain that some kind of a record is made in defense of the Constitution. I have never believed that there can ever be a situation confronting the American people which warrants the destruction of our Bill of Rights. To do so would be to destroy the very things that you pretend to defend. You cannot honestly talk about democracy and destroy the Bill of Rights of our Constitution. Take away its protection from anyone and you sub-

vert that Constitution. This Bill of Rights was written into the Constitution as a result of the demand of the American people everywhere. State after State, at its constitutional convention, ratifying the Constitution, made request for the 10 amendments which had been omitted. Those 10 amendments were a part of the common law and had been adhered to by people throughout the Thirteen Colonies. In fact, one of the reasons why the Revolutionary War was fought was because, in some manner or other, the British rulers violated that common law. When the Congress met for the first time in 1789 in New York City, with practically very little debate, the popular will to have these amendments adopted was carried out.

There are two of these amendments involved in this proceeding here today. One is the first amendment and the other is the fifth amendment. The first amendment as we know guarantees freedom of speech. We have had similar cases up before the Supreme Court of the United States and the record will show that up to now the Supreme Court has dodged the issue. The issue that I have raised in this House and which lawyers have raised before the Court is that this Congress cannot investigate into fields in which it cannot legislate. Since this Congress cannot legislate in the field prohibited by the first amendment, it certainly cannot investigate in that field.

While the Supreme Court did decide the Dennis case, it did not decide the Dennis case on the question of constitutionality of the Un-American Activities Committee. The question that the Supreme Court passed on there was a collateral question, the question as to whether or not United States employees could serve on a jury. That was the question passed on in the Dennis case. In all the other cases certiorari was refused, and no opinion has been handed down by the Supreme Court on the specific question of whether or not the first amendment is being violated by the Committee on Un-American Activities. Now, for the first time before this House we have a question involving the fifth amendment, and the witness before the committee properly raised that question. I call your attention again to the bottom of page 4 of the report in which the witness specifically said:

Because of the hysteria I think it is my duty to endeavor to protect the rights guaranteed under the Constitution, primarily the first amendment, supplemented by the fifth.

Now, he raised the fifth amendment; there is no question about it; and, later on, in the record of the proceedings you will find there references to it again. I do not think anybody can seriously contend that the witness did not raise the fifth amendment. The question here is whether or not the fifth amendment is applicable, and I should like to address myself to that question.

My good friend, the gentleman from Pennsylvania, in my opinion glossed over that question and treated it very lightly, and I do not blame him because the law is definitely not on his side. While we have no law as to the contention that the

first amendment was violated by these proceedings, we do definitely have serious and imposing opinion with respect to the fifth amendment, and it has just come down very recently, as recently as August 5, 1950. I refer you to United States Court of Appeals for the Fifth Circuit in the case of Fred Estes against Frank B. Potter. Estes was called as a witness in a deportation proceeding. He was asked if he knew any of the aliens involved, and he refused to answer and asserted as his reason for refusing the fifth amendment, that any answer that he would give would tend to incriminate him. The judge of the United States district court said as follows, and I am now quoting from the United States circuit court's opinion:

The court below deemed frivolous the appellant's claim of immunity from giving testimony against himself. It said: "If one were asked whether he knew the general reputation of a horse thief, he could not say, 'Won't tell that, because it might incriminate me. I might, myself, be a horse thief.' There is no real logic in that position." Addressing the defendant, the court said: "If and when this court's judgment with reference to answering these questions is upheld, then that will continue to be the order, and you are liable to spend a long time in jail, when you ought to be a free man, and all in the world you have to do to be a free man is simply to answer, 'Do you know these aliens? Are they Communists? Do you know this man here? Is he a horse thief?' Do you see the point? Do you know this man here? Is he a preacher? Is he a lawyer? You can see how simple it is. There is nothing in that. So, I find you in contempt, and sentence you to pay a fine of \$100 and to remain in jail for 30 days, unless you purge yourself. The marshal will take charge of him and he will stand committed until that fine is paid and the sentence served."

We cannot agree that the matter is so simple. The answers to these questions in themselves may not have even tended toward the incrimination of appellant, but they may have been links in a chain of circumstantial evidence strong enough to convict him of a number of crimes; or such answers might well provide the means whereby such evidence could be discovered. Appellant's claim of privilege rests upon a reasonable fear of prosecution under 18 U. S. C. 2385, and the general prohibition against conspiracy to commit an offense against the United States, 18 U. S. C. 371. The offenses defined in the foregoing statutes include at least the following:

- (1) Knowingly or willfully advocating the overthrow of the Government by force or violence;
- (2) Knowingly or willfully abetting such advocacy or such overthrow;
- (3) Organizing a society, etc., which teaches, advocates, or encourages the overthrow of Government by force or violence;
- (4) Helping or attempting to organize such a society;
- (5) Becoming a member of any such society knowing its purposes;
- (6) Affiliating with any such society knowing its purpose; and
- (7) Conspiracy to do any of the foregoing.

The court points out very correctly that while this was merely a deportation proceeding, answering the question in the affirmative might have subjected the witness to incrimination for violation of any of these other statutes which the court has recited. Here before you

with this resolution you have the same situation on all fours.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Of course, the case the gentleman is citing is not in point at all. That was a deportation case, not a hearing before Congress. If the alien had admitted he had known these people he would have been subject to deportation.

Mr. MARCANTONIO. Not at all. That is not what the court says. It is to the contrary. The court says what? Read the decision. The court properly points out that while the witness—this was a witness, mind you—was not in and of himself subjecting himself to deportation, and while deportation is not a criminal proceeding, therefore the lower court says he should have answered this question. But the higher court says "No," because there are these various statutes which I have just recited and read from the court's decision that this witness might have violated and would have incriminated himself by answering in the affirmative; so, therefore, he would have subjected himself to possible incrimination.

Now, the question resolves itself down to this: Who is to judge whether or not a witness may properly raise the issue of self-incrimination? Shall the judge pass on it? Shall the committee here pass on it?

Let us again read the language of the court, and I maintain the court supports my contention, and that is, if you are going to have somebody else pass on the question of self-incrimination, then that fifth amendment has no effect whatsoever, because whether or not a person is subjecting himself to incrimination is for the person himself to decide, and any criminal proceeding or any investigation must be carried on by evidence other than the testimony of the witness himself.

Here is what the court says:

The questions propounded to appellant do not disclose the incriminatory nature of the answers sought to be elicited.

The same thing here. "Do you know John Jones?" That is what this witness was asked, and he refused to answer.

The court stated:

The questions propounded to appellant do not disclose the incriminatory nature of the answers sought to be elicited, but appellant does not have to prove that his answers would incriminate him to be entitled to his privilege.

You cannot get a statement stronger than that.

Continuing, the court stated:

If that were the nature of the burden, he would be forced to divulge the very facts that the immunity permits him to suppress. A witness need only show that his answers are likely to be dangerous to him. If in the circumstances it is reasonable to infer the possibility of incrimination from the answers that the witness may give, the privilege may be claimed. It is for the court to determine, in the first instance, whether incrimination is reasonably possible from any answer the witness may give; but if such possibility exists, then the witness has the absolute

right to assert his privilege, which extends to more than the admission of a crime or any element thereof. The privilege bars compulsory disclosure of any fact that tends to incriminate a witness.

Now, I think that language of the court answers the situation before us completely and is an utter refutation of the contention of the committee. The contention of the committee will be that we passed a statute here in Congress which is supposed to confer immunity on witnesses appearing before congressional committees, but the courts have interpreted what we meant by immunity. We did not pass any statute which protects any witness from any prosecution. The statute which was passed by this Congress merely states that the testimony adduced by a witnesses before a congressional committee may not be used against him in a criminal proceeding, but there is nothing in the statute which guarantees such a witness from being subjected to criminal prosecution. That matter has been before the courts and it has been settled as I have stated it. This statute grants limited immunity, that is, immunity against the use of testimony adduced from a witness at a hearing; but certainly this statute cannot be used as a subterfuge by which you seek to bypass the fifth amendment to the Constitution of the United States.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I would like to ask the gentleman from New York this question: If I were subpoenaed here as a witness and they asked me if I was a horse thief and I said, "Yes, I am," could they interrogate me further on that question? And, if they asked me, "Whose horse did you steal," and I said, "I do not want to answer that, because you have to prove it"——

Mr. MARCANTONIO. I think I have heard enough of the question to answer. I do not see what that has to do with the question of self-incrimination.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. When a committee of the Congress is charged with investigating a certain matter, before a witness can be charged with contempt, must not the questions be relevant and pertinent to the issue?

Mr. MARCANTONIO. Yes.

Mr. HOFFMAN of Michigan. Who is to determine that, the witness, or the committee, or the courts?

Mr. MARCANTONIO. In the final analysis, the court would have to determine that. I have raised the issue of materiality or relevancy. I did so when I raised question of the first amendment.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. WOOD. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. MARCANTONIO. Now, Mr. Speaker, I think the law is clear. What is at stake here is the fifth amendment and the first amendment. We must decide here not whether this is a popular

thing to do; whether we are keeping attuned to the clamor, the hysteria, the war drums. We have to decide here whether or not we want to preserve our Constitution, whether we want to preserve our Bill of Rights. Of course, there will be a lot of arm waving and saying, "Why should we preserve the Constitution for the protection of those who would destroy us?" That is a dishonest and a hackneyed argument; it cannot be accepted by honest and reasoning men. It sounds full of sound and fury, but it is not reason and it is not an appeal to reason. It is an appeal to hysteria; it is an appeal for hatred, hatred for people. But I tell you, my dear friends, that the day is not far off when we are going to rue these things that we are doing here today and that we have been doing right along for some time.

The day is not far off when Americans will act as they have at other periods when we have had similar situations. Remember the Alien and Sedition Acts. There was a period of 2 or 3 years when Americans were thrown into jail for speeches or writings. Opinions were suppressed, war was demanded against the Republic of France. Men were not called Communists then; they were called Jacobins and Republicans. Men like Jefferson and his followers were subjected to that kind of a deal. The American people rose up against that and defeated the tyranny of those days. They have always thrust through to keep this democracy alive. Are you afraid of one-twentieth of 1 percent of the population of this country? The Communists constitute one-twentieth of 1 percent of the population of these United States. Are you going to meet the ideas of Communists with suppression, with the tearing up of the Constitution and with the working up of hysteria? What are you really afraid of? You fear the people and their will for peace and freedom. I believe that Jefferson, Lincoln, and other Americans would have said to us today "Fight it out in the field of ideas, in the free and open market of competition of ideas" and they would have rejected any spurious attempt to subvert the Bill of Rights of these United States. That is advise that we can follow in the best of our American traditions. Pursuant to permission, I include the following:

MEMORANDUM OF LAW SUBMITTED BY DAVID SCRIBNER, GENERAL COUNSEL, UNITED ELECTRICAL, RADIO, AND MACHINE WORKERS OF AMERICA

THE REQUEST BY THE HOUSE COMMITTEE ON UN-AMERICAN ACTIVITIES FOR THE ISSUANCE OF CONTEMPT CITATIONS VIOLATES THE FIFTH AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES

The request by the House Committee on Un-American Activities that private citizens subpoenaed as witnesses before that committee be cited in contempt by the Congress of the United States and held for action by the United States Attorney is clearly unconstitutional, in violation of the fifth amendment to the Constitution of the United States.

The fifth amendment to the Constitution of the United States states, in part, "No person shall . . . be compelled in any criminal case to be a witness against himself."

The privilege against self-incrimination guaranteed by the fifth amendment is an essential provision of constitutional liberty. The Supreme Court of the United States has held that—

"The exemption from testimonial compulsion, that is, from disclosure as a witness of evidence against oneself, forced by any form of legal process, is universal in American law, though there may be differences as to its exact scope and limits. At the time of the formation of the Union the principle that no person could be compelled to be a witness against himself had become embodied in the common law and distinguished it from all other systems of jurisprudence. It was generally regarded then, as now, as a privilege of great value, a protection to the innocent, though a shelter to the guilty, and a safeguard against heedless, unfounded, or tyrannical prosecutions." (Mr. Justice Moody for the Court. *Twining v. New Jersey* (29 Sup. Ct. 14, at p. 16).)

In a famous decision, Mr. Justice Harlan wrote:

"By the fifth amendment, as already stated, it was expressly declared that no one should be compelled, in a criminal case, to be a witness against himself. Those amendments being adopted by the Nation, the people no longer feared that the United States or any Federal agency could exert power that was inconsistent with the fundamental rights recognized in those amendments. It is to be observed that the amendments introduced no principle not already familiar to liberty-loving people. They only put in the form of constitutional sanction, as barriers against oppression, the principles which the people of the Colonies, with entire unanimity, deemed vital to their safety and freedom" (*Twining v. New Jersey* (pp. 28-29).)

Mr. Justice Bradley, in a historic decision, in *Boyd v. United States* (116 U. S. 616, 631, 633, 29 L. Ed. 746), held,

"* * * Any compulsory discovery by extorting the party's oath, or compelling the production of his private books and papers, to convict him of crime, or to forfeit his property, is contrary to the principles of a free government. It is abhorrent to the instincts of an Englishman; it is abhorrent to the instincts of an American. It may suit the purpose of despotic power, but it cannot abide the pure atmosphere of political liberty and personal freedom."

The individuals against whom contempt citations are sought asserted their constitutional privilege against self-incrimination embodied in the fifth amendment to the Federal Constitution in response to attempts by the committee to question them on certain of their alleged beliefs, affiliations, and associations.

The Supreme Court of the United States and the United States Court of Appeals for the Fifth, Ninth and Tenth Circuits have recently conclusively held that the fifth amendment to the Federal Constitution prohibits citing an individual in contempt for asserting his constitutional privilege in response to questions of this nature.

In the last term of the United States Supreme Court, the Court held in an opinion by Chief Justice Vinson that the present immunity statute, Revised Statutes 859 in no way waives the constitutional privilege and that a witness before a congressional committee may "claim his privilege and remain silent with impunity." The Chief Justice held:

"We need not set out the history of the statute in detail. It should be noted, however, that its function was to provide an immunity in subsequent criminal proceedings to witnesses before congressional committees, in return for which it was thought that witnesses could be compelled to give self-incriminating testimony. That purpose was effectively nullified in 1892 by this Court's decision in *Counselman v. Hitchcock* (142 U.

S. 547, 12 S. Ct. 195, 35 L. Ed. 1110), holding Revised Statutes, section 860, a statute identical in all material respects with Revised Statutes, section 859, was not a sufficient substitute for the constitutional privilege of refusing to answer self-incriminating questions. Under that decision, a witness who is offered only the partial protection of a statute such as sections 859 and 860—that his testimony may not be used against him in subsequent criminal proceedings—rather than complete immunity from prosecution for any act concerning which he testifies may claim his privilege and remain silent with impunity." (*United States v. Bryan* (70 S. Ct. 724, 732).)

The United States courts of appeals have uniformly held in the most recent cases that the fifth amendment prohibits punishment for contempt for those individuals asserting the constitutional privilege in response to questions of the nature asked by the Un-American Activities Committee. The most recent decisions is that of the United States Court of Appeals for the Fifth Circuit, in the case of *Estes v. Potter* (Nos. 13,069 and 13,112, decided August 5, 1950. A copy of this decision is attached hereto inasmuch as the printed reports are not yet available. The Court of Appeals for the Fifth Circuit held, in part, in an opinion by Circuit Judge Holmes:

"This case arises out of a statute that authorizes immigration inspectors to conduct examinations with reference to the right of aliens to be and reside in the United States. That statute was being invoked here; and the court below, upon application duly made, ordered appellant to answer certain questions, which he declined to do on the ground that his answers might tend to incriminate him. The questions sought to be elicited from appellant, if he knew, were whether certain aliens were Communists or had been active in the Communist Party. These were pertinent and material questions, because the appellee contends here that membership in such party, or communistic activity, aims toward the overthrow of the United States Government by force and violence, and such activity on the part of any alien is ground for exclusion or deportation.

"The court below deemed frivolous the appellant's claim of immunity from giving testimony against himself.

"* * * We cannot agree that the matter is so simple. The answers to these questions in themselves may not have even tended toward the incrimination of appellant, but they may have been links in a chain of circumstantial evidence strong enough to convict him of a number of crimes; or such answers might well provide the means whereby such evidence could be discovered. Appellant's claim of privilege rests upon a reasonable fear of prosecution under 18 United States Code 2385, and the general prohibition against conspiracy to commit an offense against the United States, 18 United States Code 371. * * *

"If the answers to the questions might tend to show that the appellant was a member of or affiliated with the Communist Party, his fear of criminal prosecution was justified. There is no statute that makes it a crime to be a member of the Communist Party, but the very object of the investigation to which the appellant was subpoenaed was to ascertain whether the aliens in question were members of or affiliated with the Communist Party and, therefore, subject to deportation under 8 U. S. C. 137, subdivisions (e) and (g) of which provide for the deportation of any aliens who are members of or affiliated with any organization, association, society, or group, that believes in, advises, advocates, or teaches, the overthrow by force or violence of the Government of the United States. * * *

"If affiliation with the Communist Party is sufficient ground for deportation of an alien for the reasons urged, it is a reason-

able ground for a citizen to fear a prosecution for conspiracy. If the appellant denies that he is a Communist, he may be prosecuted for perjury; if he admits it, he may be prosecuted for belonging to a group that encourages the overthrow of governments by force; if he declines to do either, he is liable to spend a long time in jail, when (he) ought to be a free man." This is a perilous position for a citizen, who is presumed to be innocent unless the facts here are sufficient to adjudge him guilty of contempt.

"The judgment appealed from is reversed, and the cause remanded for further proceedings not inconsistent with this opinion."

A similar decision has recently been handed down by the United States Court of Appeals for the Ninth Circuit, *Alexander v. United States, etc.* (181 Fed. (2d) 480), decided February 4, 1950. In this case private individuals, witnesses before a Federal grand jury, asserted the constitutional privilege in response to questions concerning their alleged knowledge of Communists or Communist activities. The Court of Appeals for the Ninth Circuit reversed convictions for contempt as violative of the fifth amendment. The witnesses brought before the grand jury by subpoena were asked questions relating to their alleged knowledge of Communist Party activities, to their alleged knowledge of certain individuals and to their alleged knowledge of other persons' Communist activities.

The Court of Appeals for the Ninth Circuit in the Alexander case and in a companion case, *Doran v. United States* (181 Fed. (2d) 489), reversed the judgments of contempt and dismissed the proceedings, holding that the witnesses were privileged by the fifth amendment to the Federal Constitution to decline to answer these questions.

Only recently, the United States Court of Appeals for the Tenth Circuit, in *Rogers v. United States*, and companion cases (179 Fed. (2d) 559, decided January 5, 1950), held to the same effect. A witness before a Federal grand jury was questioned as to her alleged membership in the Communist Party and her alleged connection with the Communist Party. The Court of Appeals for the Tenth Circuit reversed her conviction and dismissed the proceeding, concluding that the appellant "was justified in refusing to answer and the court erred in requiring her to do so."

These recently decided cases of the United States Supreme Court and the United States courts of appeals conclusively demonstrate that the assertion of the constitutional privilege by individual citizens subpoenaed before the House Un-American Activities Committee and questioned concerning their alleged Communist beliefs, associations, or connections was perfectly proper. Any attempt by the Congress of the United States to invoke the provisions of Revised Statutes 859 to cite the above-mentioned individuals for contempt would be in plain violation of the fifth amendment and of no legal force or effect.

NATIONAL LAWYERS GUILD,
Washington, D. C., June 5, 1950.

We understand that there will soon come before the House from the Committee on Un-American Activities a request that 39 Hawaiians, mostly members and officers of the International Longshoremen and Warehousemen's Union, be cited for contempt; that this request is based upon their failure to answer questions concerning their alleged affiliation with the Communist Party, or related questions, put to them by a subcommittee of the House Un-American Activities Committee; that the witnesses in question relied upon their constitutional privilege against self-incrimination (the fifth amendment) in refusing to be witnesses against themselves; and that the committee never-

theless ordered the witnesses to answer, claiming that 18 U. S. C. 3486 gave them such immunity from prosecution, as to make the privilege inapplicable.

We assume that no question will be raised concerning the incriminating character of the questions asked in view of the decisions in *Alexander, et al. v. U. S.*, case No. 12,081 (U. S. Court of Appeals, Ninth Circuit), decided February 4, 1950, and *Doran, et al. v. U. S.* and *Kasinowitz, et al. v. U. S.*, in the same court, Nos. 12,217, 12,221 (rehearing denied April 21, 1950). Indeed, the conviction of the Communist leaders in New York, and the pending indictments for mere membership should settle this question.

We believe it is clear that the Un-American Activities Committee is mistaken in its view as to the effect of 18 U. S. C. 3486. For that reason we urge you to consider the authorities referred to below and to endeavor to secure the defeat of this ill-advised motion to cite the Hawaiians for contempt.

The so-called immunity statute provides: "No testimony given by a witness before either House, or before any committee of either House, or before any joint committee established by a joint or concurrent resolution of the two Houses of Congress, shall be used as evidence in any criminal proceeding against him in any court except in a prosecution for perjury committed in giving such testimony."

To cancel the privilege on immunity must be commensurate with the danger reasonably apprehended. In the leading case on the subject, *Counselman v. Hitchcock* (142 U. S. 547 (1892)), the Supreme Court said: "In view of the constitutional provision, a statutory enactment, to be valid, must afford absolute immunity against future prosecution for the offense to which the question relates. (Citing cases including *Emery's Case*, 107 Mass. 172, which involved testimony before the legislature). * * * Section 860, moreover, affords no protection against the use of compelled testimony which consists in gaining therefrom a knowledge of the details of a crime, and of sources of information which may supply other means of convicting a witness or party."

It is entirely clear that the statute relied on here (18 U. S. C. 3486) fails to meet the test declared by the Supreme Court. It does not purport to give any immunity from prosecution. It merely provides that the particular evidence shall not be used in a criminal prosecution. The testimony given can be used as a lead to other evidence on the basis of which the witness could be prosecuted. It was precisely such a statute which the Supreme Court declared to be ineffective in the *Counselman* case.

The *Counselman* case continues to be good law. Indeed, it was reaffirmed and strengthened by the Supreme Court only very recently. In *U. S. v. Bryan*, decided May 8, 1950 (94 L. Ed. Adv. Op. Reports 683) Mr. Chief Justice Vinson, speaking for the Court, recognized the authority of the *Counselman* case. He said:

"Under that decision (*Counselman v. Hitchcock*) a witness who is offered only the partial protection of a statute such as sections 859 (the codified number of which is 18 U. S. C. 3486, the supposed immunity statute relied upon by the Committee on Un-American Activities) and 860—that his testimony may not be used against him in subsequent criminal proceedings—rather than complete immunity from prosecution for any act concerning which he testifies may claim his privilege and remain silent with impunity."

"Section 860 was ultimately repealed, its usefulness undermined by the *Counselman* decision. It remained on the statute books until 1910 'a shield to the criminal and an obstruction to justice.' But the attention of Congress has not apparently been called to the anomaly presented by the continued

existence of Revised Statutes, section 859 which, like section 860, was a constituent part of an immunity 'bargain' declared invalid in the *Counselman* case" (pp. 690-691; matter in parentheses added).

At one time there was an immunity statute which might have been adequate to compel testimony on such a case as this, but it was revised by Congress in 1862 (37th Cong., 2d sess., Cong. Globe, p. 431) because it feared that many people would escape punishment for their criminal actions by offering to testify before congressional committees in exchange for immunity.

For the foregoing reasons we respectfully urge that the recommendation that these witnesses be cited for contempt should be rejected.

Very truly yours,

ROBERT J. SILBERSTEIN,
Executive Secretary.

[In the United States Court of Appeals for the Fifth Circuit. No. 13069, No. 13112]

FRED ESTES, APPELLANT, VERSUS FRANK B. POTTER, AS UNITED STATES ATTORNEY, ET AL., APPELLEES

APPEALS FROM THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS
(August 5, 1950)

Before Holmes, Waller, and Borah, circuit judges.

Holmes, circuit judge: This appeal is from a judgment that adjudicated the appellant to be in contempt of court, and sentenced him to imprisonment for 30 days and to pay a fine of \$100. The proceeding is one of civil contempt, which is not punishable by both fine and imprisonment for the same offense; but that does not preclude the court from imposing a fine as a punitive measure and imprisonment as a remedial measure, or vice versa. Section 401 of the New Criminal Code (18 U. S. C. A. 401); *Penfield Co., etc., v. Security & Exchange Commission* (330 U. S. 585; 91 L. Ed. 1117, 1124).

This case arises out of a statute that authorizes immigration inspectors to conduct examinations with reference to the right of aliens to be and reside in the United States. That statute was being invoked here; and the court below, upon application duly made, ordered appellant to answer certain questions, which he declined to do on the ground that his answers might tend to incriminate him. The questions sought to be elicited from appellant, if he knew, were whether certain aliens were Communists or had been active in the Communist Party. These were pertinent and material questions, because the appellee contends here that membership in such party, or communistic activity, aims toward the overthrow of the United States Government by force and violence, and such activity on the part of any alien is ground for exclusion or deportation.

The court below deemed frivolous the appellant's claim of immunity from giving testimony against himself. It said: "If one were asked whether he knew the general reputation of a horse thief, he could not say, 'won't tell that, because it might incriminate me. I might, myself, be a horse thief.' There is no real logic in that position." Addressing the defendant, the court said: "If and when this court's judgment with reference to answering these questions is upheld, then that will continue to be the order, and you are liable to spend a long time in jail, when you ought to be a free man, and all in the world you have to do to be a free man is simply to answer, 'Do you know these aliens? Are they Communists? Do you know this man here? Is he a horse thief?' Do you see the point? Do you know this man here? Is he a preacher? Is he a lawyer? You can see how simple it is. There is nothing in that. So, I find you in contempt, and sentence you to pay a fine of

\$100 and to remain in jail for 30 days, unless you purge yourself. The marshal will take charge of him and he will stand committed until that fine is paid and the sentence served."

We cannot agree that the matter is so simple. The answers to these questions in themselves may not have even tended toward the incrimination of appellant, but they may have been links in a chain of circumstantial evidence strong enough to convict him of a number of crimes; or such answers might well provide the means whereby such evidence could be discovered. Appellant's claim of privilege rests upon a reasonable fear of prosecution under 18 U. S. C. 2385, and the general prohibition against conspiracy to commit an offense against the United States, 18 U. S. C. 371. The offenses defined in the foregoing statutes include at least the following:

- (1) Knowingly or wilfully advocating the overthrow of the Government by force or violence;
- (2) Knowingly or wilfully abetting such advocacy or such overthrow;
- (3) Organizing a society, etc., which teaches, advocates, or encourages the overthrow of Government by force or violence;
- (4) Helping or attempting to organize such a society;
- (5) Becoming a member of any such society knowing its purposes;
- (6) Affiliating with any such society knowing its purpose; and
- (7) Conspiracy to do any of the foregoing.

If the answers to the questions might tend to show that the appellant was a member of or affiliated with the Communist Party, his fear of criminal prosecution was justified. There is no statute that makes it a crime to be a member of the Communist Party, but the very object of the investigation to which the appellant was subpoenaed was to ascertain whether the aliens in question were members of or affiliated with the Communist Party and, therefore, subject to deportation under 8 U. S. C. 137, subdivisions (e) and (g) of which provide for the deportation of any aliens who are members of or affiliated with any organization, association, society, or group, that believes in, advises, advocates, or teaches, the overthrow by force or violence of the Government of the United States. We assume the appellee's position to be that membership in the Communist Party by an alien comes within the ban of section 2385 of the New Criminal Code (18 U. S. C. 2385), and the deportation statute just cited. It is palpably inconsistent, in one breath, to urge that being a Communist is a ground for deportation for belonging to a group that encourages the overthrow of the Government by force; and, in the next breath to argue that it may not incriminate one to be compelled to testify that he is a Communist, knows Communists, or has attended a meeting of Communists. Yet, this seems to be the position of appellee; it would be idle merely to ask the witness if he knew the aliens and, upon his answering "yes," then to stop his examination; and the law never requires the doing of an idle thing. The form of the question, "Do you know this horse thief?" would be objectionable, because it would imply the defendant was a horse thief.

Appellant was asked whether he personally knew the alien; if he knew whether said alien was a member of the Communist Party; if he knew whether the alien contributed funds to the Communist Party; if he knew whether the alien attended meetings of the Communist Party, etc. He could hardly know whether the alien attended meetings without being present there in person, and evidence of appellant attending such meetings would tend to show that he was a Communist. Appellant was not asked concerning things that he might have heard or been told. He was not asked if he knew

the alien's reputation for communistic activities. The distinction is a significant one. He could not know the crucial things that he was asked about without furnishing a link in the chain of evidence that might be needed to convict him under the new Criminal Code (18 U. S. C. 2385, or 18 U. S. C. 371). If affiliation with the Communist Party is sufficient ground for deportation of an alien for the reasons urged, it is a reasonable ground for a citizen to fear a prosecution for conspiracy. If the appellant denies that he is a Communist, he may be prosecuted for perjury; if he admits it, he may be prosecuted for belonging to a group that encourages the overthrow of governments by force; if he declines to do either, he is liable to spend a long time in jail, when (he) ought to be a free man. This is a perilous position for a citizen, who is presumed to be innocent unless the facts here are sufficient to adjudge him guilty of contempt.

The questions propounded to appellant do not disclose the incriminatory nature of the answers sought to be elicited, but appellant does not have to prove that his answers would incriminate him to be entitled to his privilege. If that were the nature of the burden, he would be forced to divulge the very facts that the immunity permits him to suppress. A witness need only show that his answers are likely to be dangerous to him. If in the circumstances it is reasonable to infer the possibility of incrimination from the answers that the witness may give, the privilege may be claimed. It is for the court to determine, in the first instance, whether incrimination is reasonably possible from any answer the witness may give; but if such possibility exists, then the witness has the absolute right to assert his privilege, which extends to more than the admission of a crime or any element thereof. The privilege bars compulsory disclosure of any fact that tends to incriminate a witness. *Counselman v. Hitchcock* (142 U. S. 547); *Mason v. United States* (244 U. S. 362); *In re Willie (United States v. Burr)*, Red. Case No. 14,692e; *United States v. Zwillman* (108 F. (2) 802, 803); *United States v. Cuson* (132 F. (2) 260, 262); *United States v. Cuson* (132 F. (2) 413, 414). It would be difficult to improve upon the strong and clear language of Marshall, C. J., in *United States v. Burr* (Case No. 14,692e, 25 Fed. Cases 38), at page 40:

"When a question is propounded, it belongs to the court to consider and to decide whether any direct answer to it can implicate the witness. If this be decided in the negative, then he may answer it without violating the privilege which is secured to him by law. If a direct answer to it may incriminate himself, then he must be the sole judge what his answer would be. The court cannot participate with him in this judgment, because they cannot decide on the effect of his answer without knowing what it would be; and a disclosure of that fact to the judges would strip him of the privilege which the law allows, and which he claims. It follows necessarily then, from this statement of things, that if the question be of such a description that an answer to it may or may not incriminate the witness, according to the purport of that answer, it must rest with himself, who alone can tell what it would be, to answer the question or not. If, in such a case, he say upon his oath that his answer would incriminate himself, the court can demand no other testimony of the fact. If the declaration be untrue, it is in conscience and in law as much a perjury as if he had declared any other untruth upon his oath; as it is one of those cases in which the rule of law must be abandoned, or the oath of the witness be received.

"* * * Many links frequently compose that chain of testimony which is necessary to convict any individual of a crime. It appears to the court to be the true sense of the rule that no witness is compellable to furnish any one of them against himself. It is certainly not only a possible but a probable case that a witness, by disclosing a single fact, may complete the testimony against himself, and to every effectual purpose accuse himself as entirely as he would by stating every circumstance which would be required for his conviction. That fact of itself might be unavailing, but all other facts without it would be insufficient. While that remains concealed within his own bosom he is safe; but draw it from thence, and he is exposed to a prosecution. The rule which declares that no man is compellable to accuse himself would most obviously be infringed by compelling a witness to disclose a fact of this description.

"What testimony may be possessed, or is attainable, against any individual the court can never know. It would seem then, that the court ought never to compel a witness to give an answer which discloses a fact that would form a necessary and essential part of a crime which is punishable by the laws."

The judgment appealed from is reversed, and the cause remanded for further proceedings not inconsistent with this opinion.

Judge Waller took no part in the final decision of this case.

(Mr. MARCANTONIO asked and was given permission to revise and extend his remarks and include some court opinions and legal memoranda.)

Mr. WOOD. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I am in emphatic disaccord with the gentleman from New York. I yield to no man in my defense of the Bill of Rights. In my humble opinion, the Bill of Rights is a shield and not a sword. The Bill of Rights seeks to protect the liberties and the rights of individuals against tyranny and oppression. The Bill of Rights is not a sword to destroy the rights of individuals. It should never become a sword to set up a communistic state that would trample on foot our rights.

The United States has a sovereign duty and right to extract from witnesses answers to questions that will aid a branch of the United States, this Congress, to legislate. This witness, as I read the testimony, balked that sovereign right of the Nation. The witness was brash, impertinent, and utterly contemptuous of Congress. I cannot allow any witness to offer affront and insult to a congressional committee, as did the witness against whom the contempt citation is brought.

The immunity involved in the Bill of Rights is purely personal. It can be availed of only to protect the witness, personally, asserting the right—*Rogers v. U. S.* (179 Fed., 2d 559; C. C. A. 10th Cir., 1950). It cannot be used to protect others. This witness did not seek to protect himself, necessarily, he sought to protect others. He cannot refuse to answer on grounds that he might incriminate someone else. It was not an immunity, personal to him—Emspak—that he asserted. Run through the testimony. When he was asked whether he knew a number of individuals he said,

"Same answer"; "same answer" meaning "I refuse to answer." In that sense the witness was seeking to protect others, not himself.

Further, the immunity may be properly claimed, if evidence given might give rise to other evidence and thus start a chain of incriminating facts to be forged around the witness. I find no such situation in this case. These questions could not start the forging of a link in a chain of evidence around this witness. Here the claim, as at all times, must be reasonable and on a rational basis. It must be remembered that the witness cannot decide for himself whether the answer would incriminate him. That question must be determined by the court, eventually, when it considers all the facts and circumstances—considers the climate and setting out of which the claim for immunity arose. Preliminarily I think the witness was contemptuous.

Further immunity must be claimed at the time the testimony is given—Justice Frankfurter dissenting in *U. S. v. Monia* (317 U. S. 424, 442 (1943)). While the witness did not specifically claim the immunity in clear and definite language, he nevertheless came within the claim by saying—page 4 of the report:

Because of the hysteria, I think it is my duty to endeavor to protect my rights guaranteed by the Constitution, primarily the first amendment, supplemented by the fifth.

But even if his protest was not exactly a claim of immunity, the Supreme Court has held (*U. S. v. Monia* (317 U. S. 424)) however, that where the particular immunity statute did not require a witness to make his claim at the outset, he obtains immunity if he testifies under compulsion. Testimony of Emspak was under compulsion.

I think fairness demands the conclusion in any event that immunity was suitably and timely claimed. The only question is, Was the claim meritorious? I think it was not.

Also there is some indication that the witness may have waived his claim of immunity. When asked—page 6 of the report of the committee—whether revealing knowledge of certain individuals would subject the witness to criminal prosecution, he answered:

No; I don't think this committee has the right to pry into my associations.

Therefore demand for immunity falls by the board.

The previous speaker has quoted a decision entitled "Estes Against Potter," a decision by Circuit Judge Holmes of the United States Court of Appeals for the Fifth Circuit, August 5, 1950. The inquiry of the gentleman from Pennsylvania was to the effect that that decision is limited to the four squares of the facts in that case. What were the facts of that case?

The SPEAKER. The time of the gentleman from New York has expired.

Mr. NIXON. Mr. Speaker, I yield the gentleman 3 minutes.

Mr. CELLER. That was a deportation proceeding, quite different from the in-

stant proceeding, and the attempt was being made to deport this man on the ground that he was a Communist. The previous speaker did not read from the part of the decision which is as follows:

There is no statute that makes it a crime to be a member of the Communist Party, but the very object of the investigation to which the appellant was subpoenaed was to ascertain whether the aliens in question were members of or affiliated with the Communist Party and, therefore, subject to deportation under 8 U. S. C. 137, subdivisions (e) and (g) of which provide for the deportation of any aliens who are members of or affiliated with any organization, association, society, or group that believes in, advises, advocates, or teaches the overthrow by force or violence of the Government of the United States. We assume the appellee's position to be that membership in the Communist Party by an alien comes within the ban of section 2385 of the New Criminal Code (18 U. S. C. 2385) and the deportation statute just cited.

Then the court says if he indicated that he was a member or was affiliated with the Communist Party, he would be subject to deportation. Of course, if he answered the question: Are you a Communist? In those proceedings he would incriminate himself and he would have the absolute right to say, "If I answered such questions, I would incriminate myself; and therefore I invoke the fifth amendment."

I repeat, that case has no relevancy whatsoever to the case at bar, and for this reason I, who have stood in this well, frequently alone, to defend the Bill of Rights, take the position today that this witness is contemptuous.

Only recently I took occasion to inveigh against H. R. 10—the Hobbs bill. You may remember it a few days ago, I was alone in this well, but I fought hard and sincerely. I had in mind what Andrew Jackson said, "One with courage is a majority." When you read the President's message with reference to H. R. 10, you see the President agreed with me and said that that bill was unconstitutional as I indicated. I had drawn the minority report against the bill which came out of my committee. I was not afraid then. I wanted to protect those who could not protect themselves, protect their rights. So I think I am on firm ground this afternoon when I say I am not going to allow, as far as I am able, the Bill of Rights to be used as a sword. I want it ever to be used only as a shield.

Mr. NIXON. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. VELDE].

Mr. VELDE. Mr. Speaker, I have a great deal of respect for the legal ability of the gentleman from New York [Mr. MARCANTONIO], but I cannot agree with him that the Estes case which he discussed is in point at all. In the first place, as the gentleman from Pennsylvania mentioned, that case was before a deportation court. This case involves a congressional committee hearing. I doubt very much whether a congressional committee or the entire Congress has a right to incriminate anyone. Anything that can be said before a com-

mittee cannot be used against the witness later in any kind of proceeding except in perjury cases.

So I can see no similarity at all between the cases of Estes and Julius Emspak. Julius Emspak is a high official in the ranks of the United Electrical and Radio Workers. We heard a number of witnesses who testified that Julius Emspak was a Communist Party member and very close to the leadership of the Communist Party. Those witnesses were all reliable, and they spoke of Mr. Emspak in terms of great respect, but they told the truth about it. I think there is no doubt at all but what the majority of our committee and a majority of this Congress, if we could read the testimony that we have concerning the subject of this resolution, would agree that he was a member of the great movement to overthrow our country by force and violence, which originates in Moscow.

I say Julius Emspak is typical of many of the witnesses who refused to answer questions when brought before our committee, and, if I am not mistaken, I believe we have 58 resolutions for contempt. Fifty-eight witnesses, and the pattern is very clear.

I happen to be familiar, from my previous work, with the background of Steve Nelson. I would like to tell you a little about him a little later, but before going to that matter I should like at this time to remind this distinguished body of the most important and valuable work the Un-American Activities Committee has been doing since it was first authorized.

As far as I have been able to ascertain, it has never been publicly approved, either by President Roosevelt or President Truman. Certainly, every branch of the executive department has disapproved of it. It has had some great American citizens as its chairmen and some great Americans as members in times past. Many of the old-timers will recall, much better than I do, this being my freshman term, the turbulent days when the committee was operating as a temporary committee under the chairmanship of Martin Dies. Martin Dies, as we all know, suffered sharp criticism and actual abuse from the Communist press and other left-wing elements of the American press and radio. Over the years, under his leadership and under the leadership of J. Parnell Thomas, and under the chairmanship of our colleague, the gentleman from Mississippi, JOHN RANKIN, and our present distinguished chairman, the gentleman from Georgia [Mr. WOOD], it has grown greatly in respect, not only among the Members of the Congress but citizens throughout the whole country.

It now has, I believe, the support of all Members of Congress on both sides of the aisle, with the exception of a few die-hards. Of course, it has made quite a number of mistakes, as any organization operating for the purpose of exposing subversive influences will naturally, and has suffered counterabuse from those same subversive elements. I need not tell you Members the past his-

tory of the Committee on Un-American Activities with reference to their weeding out of the executive departments of Government Communist espionage operatives, which had been operating there and which have been found to be operating in the past in the State Department. I need not repeat that our distinguished colleague, the gentleman from California [Mr. NIXON] and his chairman at that time, during the Eightieth Congress, Mr. J. Parnell Thomas, suffered abuse and ridicule, not only by President Truman but by a great segment of the Communist left-wing American press.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. VELDE. I yield.

Mr. ROONEY. To get to the matter that is now before the House, the pending resolution, I would like to ask the gentleman if it is not the fact that the entire proceeding before the House today on this resolution for which I am going to vote is merely in the nature of a complaint, which will be referred to the Attorney General and to the courts for appropriate action, and that the House today does not determine whether the gentleman mentioned in the pending resolution, Emspak, will go to jail or not. Is that not the fact?

Mr. VELDE. I think you have stated the facts entirely correctly. Of course, the important thing is that we have to find out sooner or later, if it must come from the Supreme Court, whether we can force witnesses to answer questions which will help us in our investigative work. I think it must be decided once and for all.

Mr. ROONEY. May I suggest this to the gentleman from Illinois, that it might be well that he keep in mind that a record is being made for the courts here this afternoon and that it might be well for the gentleman to confine himself to the case of Emspak, or whatever his name is, which is now before the House?

Mr. VELDE. I thank the gentleman for his advice, but I prefer to go ahead and give some of the past history of the Committee on Un-American Activities as a result of which we have been able to weed out some of the Communists and espionage agents of this country, and practically singlehanded at that.

Mr. ROONEY. Mr. Speaker, will the gentleman yield further?

Mr. VELDE. I yield.

Mr. ROONEY. I have tried a great many cases in courts of law in my time and have been a prosecuting attorney. I have seen far too many instances where we got into legal trouble by getting the record so huge and cumbersome with extraneous matters that we lost sight of what we were doing, and I say that to the gentleman knowing of his fine work on the Committee on Un-American Activities.

Mr. VELDE. I thank the gentleman.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. VELDE. I yield.

Mr. O'HARA of Illinois. May I ask the gentleman if it is not a fact that the

reason that a greater number of the membership of this House give support to the Committee on Un-American Activities of the Eighty-first Congress than was accorded the committee of the Eightieth Congress is that the procedure governing the hearings has been entirely reformed and cleansed to conform with the well-established rules of evidence and respect for the rights of witnesses which are part and parcel of the administration of justice in American courts? I trust that the gentleman is not seeking a clean bill of health for all of the practices of past committees which it was certainly the sentiment, if not indeed the mandate of the leadership and of the majority membership, should end with the advent of the Eighty-first Congress.

Mr. VELDE. That may be the gentleman's opinion, but I prefer not to comment further on that. I am sorry I was not fortunate enough to be a Member of the Eightieth Congress.

Mr. O'HARA of Illinois. I have great respect and liking for the gentleman from Illinois, and I know that he is fair; I would not wish any of the past of which he was not a part and for which he is not responsible, to reflect upon him.

Mr. VELDE. I must refuse to yield further, for I have but 10 minutes.

Mr. CARROLL. Mr. Speaker, will the gentleman yield for just one more question?

Mr. VELDE. I am sorry, but I must refuse to yield.

Alger Hiss is now a convicted perjurer. If it had not been for this committee and the courage of its members, he might still be a confidential adviser to the President; he might still be an adviser in the State Department, or still worse, he might be a strong influence in the United Nations.

As a new member of this committee I want to pay a special tribute today to our distinguished chairman, the gentleman from Georgia [Mr. Wood], who, like a lot of other members of the committee, has leaned over backward in his efforts to be fair to all these witnesses who have appeared, to give them every opportunity to answer these questions and to protect them in their rights. For his courage he has received the sharp criticism of various left-wing elements of the press and radio. In spite of this, under his leadership the committee has operated in harmony and worked during this session in a spirit of cooperation which, I believe, has resulted in very much good in protecting Americans from further Communist infiltration and action.

But I want to get back for a moment to the typical case which I gave.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. VELDE. I yield.

Mr. RANKIN. I do not feel like sitting here and hearing these gentlemen get away with the charge that there is any difference between proceedings in the Eightieth Congress and the Seventy-ninth Congress. It was my amendment to the rules that created the Committee on Un-American Activities as a standing committee of the House.

Mr. VELDE. And the gentleman has my thanks for introducing that resolution.

Mr. RANKIN. There was no difference in the committee between the Seventy-ninth Congress and the Eightieth Congress; the Eightieth Congress followed the exact procedure that had been followed in the Seventy-ninth Congress.

Mr. VELDE. One of the most dangerous, clever, and treacherous Soviet agents still at large in the United States and operating freely and openly as a Communist organizer and agent is Steve Nelson. A study of the background and operations of Nelson on behalf of the Soviet Union and the Communist Party will amaze and alarm loyal American citizens.

From his first illegal entry into the United States in 1920, the cloud under which he was naturalized and each time that he applied for and received a passport, always under a false name or through falsification of other information, never has Steve Nelson shown any intention, desire, or willingness to be a decent, honest, God-fearing citizen of the United States. Every action, every fact shows his disloyalty to the United States and his unswerving and active loyalty to the Soviet Union. He has taken advantage of all the privileges of living in a free country under our Constitution, hiding behind the protection of that Constitution to further a movement that has as its openly avowed purpose the destruction of that same Constitution.

Steve Nelson is not his actual name. He was born Steve Mesarosh on January 1, 1903, at Chaglich, Yugoslavia. He entered the United States on June 12, 1920, under the name of Joseph Fleischinger. His mother and two sisters entered at the same time representing themselves to be the wife and children of Joseph Fleischinger. In testimony before the Un-American Activities Committee on June 9, 1949, Nelson refused to give the names of his mother or sisters and would not admit that he knew the name of a person by the name of Joseph Fleischinger on the grounds on self-incrimination.

In deportation proceedings in 1922 the immigration inspector recommended the family be allowed to legalize their residence and Steve Nelson was naturalized in Detroit, Mich., in November of 1928. Although it cannot be proved exactly when Nelson became a member of the Communist Party, there is strong evidence pointing to his becoming a member in 1925. If this is true he perjured himself when he took out his citizenship papers.

Steve Nelson has been a resident of the United States since that date, with the exception of several trips to Russia, Spain, and China.

By 1931 he had become important enough and valuable enough to the Communist cause in the United States that he was chosen as one of the very few to attend the Lenin Institute in Moscow. In the passport that he obtained for this trip he swore that he was born in Rankin, Pa. It has been established

by testimony given under oath by men who attended the same school that Nelson attended the school under the name of Louis Evans, and that he resided in Russia from 1931 until 1933. Sworn testimony also proves that he was in Shanghai, China, in 1933, working for the Comintern.

In 1936 the Daily Worker listed Steve Nelson as the section organizer of the Communist Party in Luzerne County, Pennsylvania. In 1937 he was a lieutenant colonel in the International Brigade, that is the Communist brigade, it being a known fact that only Communists were allowed to belong, of the loyalist army fighting in the Spanish civil war. He obtained his passport to fight in the Spanish civil war under the name of Joseph Fleischinger.

Since 1938, after his return from the war, Steve Nelson has been a national figure in the Communist Party and a leading functionary in the Moscow-controlled underground. In 1939 he was listed by Earl Browder as being a member of the National Committee of the Communist Party of the United States. In 1942 at the National Conference of the Communists, he was confirmed as a member of the National Committee, and in 1944 the Daily Worker referred to him in that capacity and he is named in the same capacity in the proceedings of the Constitutional Convention of the Communist Political Association held in May of 1944.

Now I have previously mentioned that Steve Nelson was one of the conspirators in the now famous Comrap case. Let me tell you just how he began his operations as a NKVD agent. Nelson had become so important to the Communist Party that in 1940 he was assigned to the strategic San Francisco Bay area, where he was directed to succeed Paul Crouch in this capacity. Mr. Crouch has testified before the committee, under oath, that he knew Nelson and knew that he had been sent to San Francisco to succeed him. He was, however, given a more important assignment than mere organizer and Communist propagandist in that area. Nelson was of particular value in the San Francisco area because while fighting in Spain as a member of the International Brigade, he befriended the widow of one of his fellow-Communists in the brigade. This widow subsequently married Dr. J. Robert Oppenheimer, who as you know was the leading scientist of the entire Manhattan Engineering District.

The Kremlin knew of Nelson's having befriended this woman. It knew, too, that Congress had recently appropriated \$2,000,000,000 to set up the Manhattan Engineering District. The Kremlin knew, too, that the Manhattan Engineering District had been set up to do research of a scientific nature and to study nuclear fission with the eventual purpose of producing a super war weapon, the atomic bomb. And so Steve Nelson was sent to California ostensibly to become an organizer with the Communist Party there—actually he was sent by the Kremlin to use his influence with the husband of a woman whom he had befriended in Spain, and with that influ-

ence to eventually secure some of the knowledge about the atomic-bomb project that would naturally be in the mind of Dr. J. Robert Oppenheimer. I am happy to say that Steve Nelson failed utterly in securing any information from this great scientist. In a desperate attempt to do the bidding of the Kremlin, he then organized a Communist Party cell within the University of California radiation laboratories, where a vital part of the atomic research was being done. For the complete testimony and evidence against Steve Nelson, I would like to refer you to the full reports of the Un-American Activities Committee entitled "Report of Soviet Espionage Activities in Connection With the Atomic Bomb, September 28, 1948, and September 29, 1949"; and also hearings on Steve Nelson, June 8, 1949.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. WOOD. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. McSweeney].

Mr. McSWEENEY. Mr. Speaker, when the leadership of the Democratic Party asked me to become a member of the Un-American Activities Committee I did so with some trepidation realizing that we have an obligation to protect the reputation of every person in the United States and that we could not transgress upon his individual privileges. I have probably leaned over backward in that direction.

I studied law in London, England, after the last war. I admired one thing in the English system, and that is their grand jury system. In other words, they try to have a man who is indicted really guilty of the crime. Today we are operating somewhat as a grand jury. I do not wish to have anyone incriminated and have his future opportunity in America destroyed; but I am one who believes definitely that one-twentieth of 1 percent of the people who are subversive and who are in favor of the disruption of our Government and the final destruction of our country should be eliminated. I believe also that every individual in America is an entity of democracy. I also feel that the power of a government to reach out and destroy that entity of democracy would eventually destroy democracy itself, and I think we should surround each individual with every possible protection that the law can provide.

On the other hand, those of my comrades who have served in the Army with me realize that I have an honorable respect for the man who dons the uniform of his country and fights in that uniform, which is just as much an identifying thing as the flag of his country. I do detest the man who comes within the borders of my country, accepting its responsibility, accepting its hospitality, when we in America allow him to exercise every talent he has and to give him every benefit that those talents may give to him, then at the same time with those opportunities try to destroy the great thing that you and I love so dearly.

I am not referring to the men and women who have come from foreign countries. I refer to those who have

been citizens for a long time. There is an old song I cannot sing, but will recite that pretty well gives my attitude:

If you don't like your Uncle Sammy,

Then go back to your home o'er the sea
To the land from which you came, whatever
be its name

But do not be ungrateful to me.

If you don't like the Stars and Old Glory,

If you don't like the Red, White, and Blue,
Then don't act like a cur,

Don't bite the hand that's feeding you.

So, Mr. Speaker, I do not want to create hysteria; at the same time I feel that we as Americans have a right to keep these people from destroying us and working a great hardship upon our country.

Today we are asking that these men be called before the bar of justice. We are acting simply as a grand jury, not to besmirch a man, not to deprive him of future employment, but merely to protect what you and I know as the integrity and the sovereignty of our institutions.

Mr. NIXON. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. Jackson].

Mr. JACKSON of California. Mr. Speaker, in one sense I have a deep regard for the gentleman from New York [Mr. Marcantonio]. He and I are probably as far apart as any two legislators could possibly be in basic philosophy. But I must say one thing for the gentleman, and that is that we always know where to find him. We always know how he is going to vote and what his position on any issue is going to be. His consistency in that regard should recommend itself to some people who are notorious for their legislative broken-field running.

I do not agree with the gentleman when he states that we are in a state of feverish hysteria at the present time. If, conceivably, it is hysteria, it is a type of hysteria that might result if a mother found a rattlesnake in her baby's crib or if a sergeant of the guard found a sentry smoking a cigarette inside an ammunition dump.

The gentleman, in effect, scoffs at the idea that these defendants and others would destroy the Bill of Rights. For my part I do not think that there is any question as to their intention to destroy all that we hold dear and sacred.

Communists and fellow travelers would use freedom of speech only to strangle it as they did in Poland; they would use freedom of assemblage only to abolish it entirely as they did in Czechoslovakia; they would use the freedom of the press to wipe it out for all peoples for all time, as they did in Rumania and they would use freedom of religion only to insure that God and faith would have no place in human relationships.

I know that they would use the Bill of Rights to destroy these things. Ever since the Communist Party was founded; ever since the Communist manifesto was written in a Paris attic, there has been but one goal, and that the destruction of every free government on the face of the earth whose concepts and whose basic policies were not in accord with those practiced in the Soviet Union. That one

fact should be clear to all of us in the light of what has transpired.

What is a Communist or his fellow traveler? Are they members of a political party? Of course, they are not. They are members of an international conspiracy and they take their orders from Moscow. That fact should be absolutely clear to all Americans today. How many of these defendants would volunteer today for service with the United Nations forces in Korea? Not very many of them, I will guarantee you.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. JACKSON of California. I yield to the gentleman from New York.

Mr. MARCANTONIO. There are some of these defendants who fought with gallantry in the Pacific in the last war.

Mr. JACKSON of California. I am talking about a war today against aggression today. I am not talking about a time when we had as allies some whom we believed to be fighting for a free world. We made several very serious mistakes at that time, mistakes which only blood, sweat, and tears seem to be capable of correcting.

In effect we have two enemies today. We have an enemy in front of us. That enemy can be seen; his stature can be measured. Our Armed Forces will meet him and defeat his aims. But, we also have an enemy in the rear today and it is the duty and the obligation of the Congress of the United States to take care of that situation by legislation speedily enacted.

For my part I believe that the Committee on Un-American Activities has done an extremely good job, and I hope that some of the people who have voted against the Committee on Un-American Activities in the past, who have voted against appropriations for funds for the Committee on Un-American Activities and who have voted against any additional authority being given to that committee, will close ranks and vote for these contempt citations today.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. JACKSON of California. I yield to the gentleman from Mississippi.

Mr. RANKIN. In reply to the gentleman from New York [Mr. Marcantonio] when he asked if some of these men did not serve in the last war, I call attention to the fact that Benedict Arnold served with distinction at Saratoga before he turned traitor.

Mr. JACKSON of California. I think the gentleman makes an excellent point.

Mr. WOOD. Mr. Speaker, I yield the remainder of my time to the gentleman from Indiana [Mr. Jacobs].

Mr. NIXON. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana.

(Mr. Jacobs asked and was given permission to revise and extend his remarks and include excerpts.)

Mr. JACOBS. Mr. Speaker, in the 3 minutes that are allotted to me it will not be possible for me to read into the Record some legal propositions that I think should be in the Record.

I do not believe that I am suffering from any hysteria. I believe that I am as ready to stand up for civil rights as

any Member of this House, and I want to analyze as carefully as I can and as quickly as possible the contentions that have been made here.

First of all it is contended that the witness has a right to refuse to answer these questions which I judge might prove he was a member of the Communist Party because that might incriminate him. It is clear to everyone that it is not a crime to be a Communist. If we had enacted a law by which a man could be imprisoned for being a member of the Communist Party, then the witness would have been within his rights to refuse to answer questions tending to prove he was a Communist. Unless we had also enacted a statute which provided absolute immunity for him in the event he was forced to answer. Now that is the law of this country and it has been the common law of the English-speaking countries since the memory of man runneth not to the contrary.

I want to protect the minority whether it be one-twentieth of 1 percent or whether it be a bare minority. But a minority is not entitled to special protection. If I become a witness in court, I can be asked about my associates, I can be asked about my business connections, I can be asked about my background. Now, I want to give these people as much protection as I have; I do not want to give them more.

A government must defend its authority. The right of a government to inquire into what is going on within its borders is a right of sovereignty. The right of its courts to adduce evidence is a right and duty of sovereignty. Any government that does not defend its authority cannot long exist.

If I understand this case the witness had made an affidavit that he was not a Communist. These questions were calculated to prove he was. Had he claimed his personal constitutional privilege to refuse to answer these questions on the ground his answers might incriminate him of the offense of perjury we would have a different legal question; and the witness might have been within his rights. But that was a personal privilege which he had to personally claim. The record discloses he claimed the right to refuse to respond for the protection of others which in law he cannot do.

That a witness may be examined regarding his antecedents, tested on his knowledge and opportunity to know of what he speaks, his motives, and influences and, oftentimes as to his associates, I append to my remarks certain language from corpus juris on witnesses.

(70 Corpus Juris, 811 et seq.)

PAR. 1014. (a) Business or occupation: As bearing on the credibility of the testimony of a witness, inquiry may be made on cross-examination as to his business or occupation, and his acts or habits in connection with the performance of his duty. In a criminal case, however, it is not proper to show that the witness was engaged in a criminal business or associated with it in any way which would tend to prove the commission of other crimes.

PAR. 1019. (g) History and antecedents of witness: As bearing on the credibility of the

testimony of the witness, inquiry may be made, on cross-examination, into his age, antecedents, place of residence, history, opinions, use of intoxicants, and the number of times he has been before the court. In a criminal case it is also proper to show the association and surroundings of the witness; and he may be questioned as to conduct on his part which would affect his credibility if such conduct is admitted.

PAR. 1023. (k) Knowledge and experience: It is proper to permit a witness to be cross-examined in order to test his information or knowledge as to the facts concerning which he has testified, and the source, means, limits, and extent of such knowledge.

PAR. 1025. (m) Motive of witness and influences operating on him: As bearing on the credibility of a witness, it is proper on cross-examination to inquire into his motive in testifying as he did and the influences operating on him causing him so to testify.

PAR. 1047. (a) Associates: In the majority of jurisdictions it is not competent to show as bearing on the credibility of a witness, who and what are his associates. In other jurisdictions, however, a witness may be examined as to his associates if they are of his own choice, but not as to the character or reputation of his relatives. In still other jurisdictions it is proper to impeach a witness by examining him as to his associates, but it is discretionary with the trial court to permit the answer to be given.

Mr. NIXON. Mr. Speaker, I yield the remaining time to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, frankly I have found myself in a rather difficult position in the Committee on Un-American Activities, because, to the accompaniment of a great number of statements that members of the committee should be lawyers, I found myself perhaps the only one on the committee now who is not a lawyer. I found that most of the time I was listening to arguments presented by lawyers and persons with a legal background. Perhaps for that reason I have tried to be particularly sensitive to the arguments about civil and constitutional rights. At least I have tried to approach the thing as a layman might, honestly, in the consideration of all of these contempt citations. But here is the point that has decided the matter in my mind when we voted on these citations, and I venture to suggest it here because it may apply to some others.

This committee is charged with determining and exposing subversive activities. If the committee may not inquire into activities which are of a subversive character, how can it discharge its obligations?

In such reading as I have been able to do, I was particularly interested in the recent decision of Judge Hand when the United States circuit court of appeals passed upon the Dennis case. He went back to the various decisions on cases in World War I where similar constitutional questions were involved. In a famous case (*Schenck v. United States* (249 U. S. 47)), Justice Holmes expressed a ruling which thereafter has become a sort of legal yardstick to measure constitutional limitations upon free speech. And since then decisions generally have accepted the doctrine that the existence of a "clear

and present danger" would warrant legislation.

The gentleman from New York [Mr. MARCANTONIO] said that the Congress cannot investigate where it cannot legislate, but the court of appeals in upholding the convictions under the Smith Act certainly found that there the Congress could legislate. If it could legislate there, certainly we have the right to try to determine whether a clear and present danger exists in our inquiries of these witnesses. For, in the main, our questions relate to the very points on which the 11 persons were convicted under the Smith Act, to wit, activity as Communists in advocating the violent overthrow of the Government or preparation for it.

If the questions that were asked in this instant case, this Emspak case, can be refused on the grounds which Emspak offered, then the committee cannot carry out the functions assigned to it by the Congress. Read the full report of the committee in the RECORD or in the printed reports before you now, and you will have to come to the conclusion that if the committee cannot ask those questions and expect an answer then it cannot perform the functions assigned to it. So we might as well have this issue settled.

Justice Chase concurring in the Dennis case said:

Thus, as properly interpreted by the court below, the Smith Act does not prohibit prophecy that overthrow will occur. Nor does it impinge upon beliefs as to the necessity of the most extreme governmental and political changes, such as, for example, the abolition of the legislative and judicial branches of the Government, or of the liberty of speech or of the press. What the Smith Act does prohibit is the urging of action to accomplish such changes as these by forcible means.

I think, Mr. Speaker, it is also pertinent to point out in this connection that the Supreme Court has upheld the constitutionality of that section of the Labor-Management Act which requires officers of a union to take an oath that they are not Communists to come under the benefits of the act. Indeed, Judge Hand, in upholding the conviction of Dennis and others, said:

The last decision—in some ways the most important of all—is *American Communications Association, C. I. O. v. Douds* (339 U. S. 382), in which a majority of the Court held that PP9 (h) of the Labor-Management Act was constitutional in requiring the officers of a union to take an oath that they were not Communists, as a condition to according the union the benefits of the act.

And if the Supreme Court has upheld the right of Congress to legislate in this field and to require an oath of non-Communist affiliation, may not a committee of the Congress ask the same question, and other questions growing out of the answer thereto in order to determine whether a clear and present danger exists?

Justice Chase also carried a footnote to his concurring statement in which he pointed out—

The sufficiency of the evidence to support the conviction is clear. This included, besides the evidence mentioned by Judge Hand,

proof that many of the Communist Party's activities directed by the appellants were conducted secretly and that appellants followed a policy of concentrating party members in basic industries, all for the purpose of achieving their aims of overthrow, as well as evidence tending to show that the party itself was closely allied to and sympathetic with, and perhaps absolutely dominated by, a foreign government, the Soviet Union.

I mention that reference to activities particularly because the gentleman from New York asked us if we were afraid of one-twentieth of 1 percent of the population. I call attention to the fact that, as the Justice here pointed out, it has been the policy of the Communist Party to concentrate party members in strategic activities and in key spots in basic industries.

Emspak was one such person. He was a member of the UE. He signed a non-Communist affidavit or oath in proceedings before the National Labor Relations Board and yet when we sought to inquire into his activities he tried to seek refuge in a fuzzy statement about his rights under a Constitution which Communists plot to overthrow by force when they deem the time is ripe. We have had—as the gentleman from Illinois pointed out—a parade of witnesses before us in recent weeks who have testified that it was the policy of the Communist Party to place key members in the UE where they might be in a position to control or sabotage key industries. Recently it was testimony about the tool industry in Ohio. Earlier it was the testimony of Cvetic on activity of the Communist Party in western Pennsylvania where they sought to get strategic membership in labor unions in big steel for the purpose of being in a position when the time came to accomplish the forcible overthrow of the Government.

It is not fear of ideas expressed by one-twentieth of 1 percent of the population; it is to combat the activity of Communists in advocating and planning the violent overthrow of the Government and sabotage of its productive facilities that your Committee on Un-American Activities has conducted these inquiries.

If the Congress does not want the committee to proceed and ask questions along the line which were asked of Emspak, then the House should abolish the committee. In presenting these citations, we would like to have a clear-cut decision, a verdict of approval from the House of Representatives, that questions like these are proper when we are attempting to determine whether a clear and present danger confronts the United States.

The citations before you today are not all that might have been brought in for your consideration. The committee took special care to review each record. All of the citations which will be placed before you today are cases selected on the basis of what we judged to be clear contempt of Congress by the witnesses before us when asked proper questions. In each report, you will find a careful statement of the proceedings pertinent to the alleged contempt. We have had the assistance of outstanding counsel in the person of Mr. Frank Tavenner. I

believe the procedure followed will commend itself to those who examine the reports on that score. The Emspak citation is now before you for a vote.

Mr. WOOD. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

Mr. MARCANTONIO. Mr. Speaker, on that I demand the yeas and nays. I think this is an important question and the Members of the Congress ought to go on record on it.

The yeas and nays were ordered.

The question was taken; and there were—yeas 373, nays 1, not voting 56, as follows:

[Roll No. 233]

YEAS—373

Abbott	Corbett	Havener
Abernethy	Cotton	Hays, Ark.
Addonizio	Coudert	Hays, Ohio
Albert	Cox	Hébert
Allen, Calif.	Crook	Hedrick
Allen, Ill.	Crosser	Heffernan
Allen, La.	Cunningham	Heller
Andersen	Curtis	Herlong
H. Carl	Davenport	Herter
Anderson, Calif.	Davis, N. Y.	Heseltun
Andersen	Davis, Ga.	Hill
August H.	Davis, Tenn.	Hobbs
Andrews	Davis, Wis.	Hoeven
Angell	Deane	Hoffman, Mich.
Aspinall	DeGraffenried	Holfield
Auchincloss	Delaney	Holmes
Bailey	D'Ewart	Hope
Barden	Dollinger	Horan
Baring	Dolliver	Howell
Barrett, Pa.	Dondero	Huber
Bates, Ky.	Donohue	Hull
Bates, Mass.	Doughton	Irving
Battle	Douglas	Jackson, Calif.
Beall	Doyle	Jackson, Wash.
Beckworth	Eberharter	Jacobs
Bennett, Fla.	Elliott	Javits
Bennett, Mich.	Ellsworth	Jenison
Bentzen	Elston	Jenkins
Biemiller	Engel, Mich.	Jennings
Bishop	Engle, Calif.	Jensen
Blackney	Evins	Jones, Ala.
Blatnik	Fallon	Jones, Mo.
Boggs, Del.	Feighan	Jones, N. C.
Boggs, La.	Fellows	Judd
Bolling	Fernandez	Karst
Bolton, Md.	Fisher	Karsten
Bolton, Ohio	Flood	Kean
Bonner	Fogarty	Kearney
Bosone	Forand	Kearns
Boykin	Ford	Keating
Bramblett	Frazier	Kee
Breen	Fugate	Kelley, Pa.
Brooks	Fulton	Kelly, N. Y.
Brown, Ga.	Furcolo	Keogh
Brown, Ohio	Gamble	Kerr
Bryson	Garmatz	Kilburn
Buchanan	Gary	Kilday
Buckley, Ill.	Gathings	King
Buckley, N. Y.	Gavin	Kirwan
Burdick	Golden	Klein
Burke	Goodwin	Kruse
Burleson	Gordon	Kunkel
Burnside	Gore	Lane
Burton	Gorski	Lanham
Byrne, N. Y.	Graham	Larcade
Byrnes, Wis.	Granahan	LeCompte
Camp	Granger	LeFevre
Canfield	Grant	Lichtenwalter
Cannon	Green	Lind
Carlyle	Gregory	Linehan
Carnahan	Gross	Lodge
Carroll	Guill	Lovre
Case, N. J.	Gwinn	Lucas
Case, S. Dak.	Hagen	Lyle
Cavalcante	Hale	Lynch
Celler	Hall	McCarthy
Chelf	Edwin Arthur	McConnell
Chesney	Hall	McCormack
Chipperfield	Leonard W.	McCulloch
Christopher	Halleck	McDonough
Chudoff	Hand	McGrath
Clemente	Harden	McGregor
Cole, Kans.	Hardy	McGuire
Colmer	Harris	McKinnon
Combs	Harrison	McMillan, S. C.
Cooley	Hart	McSweeney
Cooper	Harvey	Mack, Ill.

Mack, Wash.	Phillips, Tenn.	Staggers
Madden	Pickett	Stanley
Mahon	Plumley	Steed
Mansfield	Poage	Stefan
Marshall	Polk	Stigler
Marshall	Potter	Stockman
Martin, Iowa	Poulson	Sullivan
Martin, Mass.	Powell	Sutton
Morrow	Preston	Taber
Meyer	Price	Tackett
Michener	Priest	Tauriello
Miles	Rabaut	Teague
Miller, Calif.	Rains	Thomas
Miller, Md.	Rankin	Thompson
Miller, Nebr.	Redden	Thornberry
Mills	Reed, Ill.	Tollefson
Mitchell	Reed, N. Y.	Towe
Monroney	Rees	Trimble
Morris	Rhodes	Underwood
Morton	Ribicoff	Van Zandt
Moulder	Rich	Vorys
Multer	Richards	Vursell
Murdock	Riehlman	Wadsworth
Murray, Tenn.	Robeson	Wagner
Nelson	Rodino	Walsh
Nicholson	Rogers, Fla.	Walter
Nixon	Rogers, Mass.	Welch
Noland	Rooney	Welch
Norblad	Roosevelt	Werdel
Norrell	Sadiak	Wheeler
Norton	St. George	White, Calif.
O'Brien, Ill.	Sanborn	Whitten
O'Brien, Mich.	Sasser	Whittington
O'Hara, Ill.	Saylor	Wickersham
O'Hara, Minn.	Scott, Hardie	Widnall
O'Konski	Scrivner	Wier
O'Neill	Scudder	Wigglesworth
O'Sullivan	Secrest	Willis
O'Toole	Shafer	Wilson, Ind.
Passman	Shelley	Wilson, Okla.
Patman	Short	Wilson, Tex.
Patten	Sikes	Withrow
Patterson	Simpson, Ill.	Wolcott
Perkins	Simpson, Pa.	Wolverton
Peterson	Sims	Wood
Pfeiffer	Smathers	Woodhouse
Joseph L.	Smith, Va.	Yates
Philbin	Smith, Wis.	Young
Phillips, Calif.	Spence	Zablocki

NAYS—1

Marcantonio

NOT VOTING—56

Arends	Hoffman, Ill.	Regan
Barrett, Wyo.	James	Rivers
Brehm	Johnson	Sabath
Bulwinkle	Jonas	Sadowski
Chatham	Keefe	Scott
Clevenger	Kennedy	Hugh D. Jr.
Cole, N. Y.	Latham	Sheppard
Crawford	McMillen, Ill.	Smith, Kans.
Dague	Macy	Smith, Ohio
Dawson	Magee	Talle
Denton	Mason	Taylor
Dingell	Morgan	Velde
Durham	Morrison	Vinson
Eaton	Murphy	Whitaker
Fenton	Murray, Wis.	White, Idaho
Gillette	Pace	Williams
Gilmer	Pfeiffer	Winstead
Gossett	William L.	Woodruff
Hare	Quinn	
Hinshaw	Ramsay	

So the resolution was agreed to.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Denton with Mr. William L. Pfeiffer.
 Mr. Murphy with Mr. Hugh D. Scott, Jr.
 Mr. Dingell with Mr. Eaton.
 Mr. Magee with Mr. Gillette.
 Mr. Morrison with Mr. Brehm.
 Mr. Sabath with Mr. Latham.
 Mr. Sadowski with Mr. Arends.
 Mr. Rivers with Mr. Smith of Ohio.
 Mr. Regan with Mr. Talle.
 Mr. Kennedy with Mr. Hinshaw.
 Mr. Chatham with Mr. Hoffman of Illinois.
 Mr. Hare with Mr. Velde.
 Mr. Gilmer with Mr. Mason.
 Mr. Gossett with Mr. Macy.
 Mr. Morgan with Mr. Barrett of Wyoming.
 Mr. Williams with Mr. McMillen of Illinois.
 Mr. Winstead with Mr. Cole of New York.
 Mr. Whitaker with Mr. Johnson.
 Mr. Vinson with Mr. Jonas.
 Mr. Sheppard with Mr. Smith of Kansas.
 Mr. Dawson with Mr. Keefe.

Mr. Pace with Mr. Clevenger.
Mr. White of Idaho with Mr. Murray of Wisconsin.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. VORYS, for one week, on account of illness of daughter.

To Mr. TALLE (at the request of Mr. CUNNINGHAM), for an indefinite period, on account of illness in his family.

EXTENSION OF REMARKS

Mr. RANKIN asked and was given permission to revise and extend the remarks he made in Committee of the Whole today and include certain extraneous matter including some tables from the Treasury Department.

Mr. McGUIRE asked and was given permission to extend his remarks and include an editorial.

Mr. JOSEPH L. PFEIFER asked and was given permission to extend his remarks and include a translation.

Mr. KING asked and was given permission to extend his remarks and include editorials.

Mr. HOLIFIELD asked and was given permission to extend his remarks and include an editorial.

Mr. DAGUE (at the request of Mr. GRAHAM) was given permission to extend his remarks.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks and include an article.

Mr. VAN ZANDT asked and was given permission to extend his remarks and include extraneous matters.

Mr. STEFAN asked and was given permission to extend his remarks and include an editorial.

Mr. JENKINS asked and was given permission to extend his remarks and include an article by Mr. Goss.

Mr. WOLVERTON asked and was given permission to extend his remarks and include extraneous matter.

Mr. SMITH of Ohio (at the request of Mr. SHORT) was given permission to extend his remarks and include an editorial.

Mr. COTTON asked and was given permission to extend his remarks and include an editorial.

Mr. BENNETT of Michigan asked and was given permission to extend his remarks and include two letters and a newspaper editorial.

Mr. RICH asked and was given permission to extend his remarks and include an article by Wilford I. King on the subject For What Are You Willing To Pay Taxes?

Mr. HESELTON asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. McDONOUGH asked and was given permission to extend his remarks in two instances.

Mrs. BOLTON of Ohio asked and was given permission to extend her remarks in two instances, in one to include an editorial and in the other a speech that was made by Governor Dewey recently

before the Federation of Labor, New York State.

Mr. O'KONSKI asked and was given permission to extend his remarks.

Mr. CORBETT asked and was given permission to extend his remarks and include a survey of the postal service.

Mr. GAVIN asked and was given permission to extend his remarks and include a newspaper article.

Mr. HAYS of Ohio asked and was given permission to extend his remarks and include an editorial and a newspaper article.

Mr. O'HARA of Illinois asked and was given permission to revise and extend his remarks.

Mr. FALLON asked and was given permission to extend his remarks and include an article.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 294. An act for the relief of Hernando J. Abaya, his wife, and two children; to the Committee on the Judiciary.

S. 410. An act for the relief of the former shareholders and debenture note holders of the Goshen Veneer Co., an Indiana corporation; to the Committee on the Judiciary.

S. 541. An act to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, with respect to clerks in air mail field railway post offices; to the Committee on the Post Office and Civil Service.

S. 665. An act for the relief of Margaret D. Scott; to the Committee on the Judiciary.

S. 814. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Sisseton Indian Agency, South Dakota; to the Committee on Public Lands.

S. 883. An act to authorize the taking and destruction of dangerous weapons in certain cases, and for other purposes; to the Committee on the District of Columbia.

S. 946. An act to permit credit, for purposes of parole, for time served in a Federal penal institution under an illegal conviction or sentence in the case of a person who is subsequently legally convicted and sentenced for the same offense; to the Committee on the Judiciary.

S. 1140. An act to authorize credits to certain public agencies in the United States for costs of construction and operation and maintenance of flood protective levee systems along or adjacent to the lower Colorado River in Arizona, California, and Lower California, Mexico; to the Committee on Public Lands.

S. 1832. An act to amend the Immigration Act of October 16, 1918, as amended; to the Committee on the Judiciary.

S. 1913. An act for the relief of Adelaide Giovanna Summa; to the Committee on the Judiciary.

S. 2487. An act for the relief of Dominic Arcella; to the Committee on the Judiciary.

S. 2506. An act for the relief of Libuse Chalupnik Pavlish; to the Committee on the Judiciary.

S. 2695. An act for the relief of Stella Jean Stathopoulou; to the Committee on the Judiciary.

S. 2772. An act for the relief of Thomas N. Cole; to the Committee on the Judiciary.

S. 2927. An act for the relief of Edmon Burgher; to the Committee on the Judiciary.

S. 2948. An act to authorize the sale of certain land allotted to Clara Whitesell, Standing Rock allottee No. 915; to the Committee on Public Lands.

S. 2981. An act for the relief of Giuseppe Merinet Forgnone; to the Committee on the Judiciary.

S. 3094. An act for the relief of Miriam Rosenblum; to the Committee on the Judiciary.

S. 3107. An act for the relief of Boleslaw H. Drobinski, his wife, Marjorie, and his daughter, Janina; to the Committee on the Judiciary.

S. 3157. An act for the relief of Setsuko Takata and Catharina Takata; to the Committee on the Judiciary.

S. 3263. An act to amend Veterans' Preference Act of 1944 with respect to certain mothers of veterans; to the Committee on Post Office and Civil Service.

S. 3367. An act for the relief of the law firm of Hunt, Hill & Betts; to the Committee on the Judiciary.

S. 3428. An act to authorize the admission into the United States of an alien possessing special skill, namely, Gerhard Zahn, and his wife; to the Committee on the Judiciary.

S. 3504. An act to promote the development of improved transport aircraft by providing for the operation, testing, and modification thereof; to the Committee on Interstate and Foreign Commerce.

S. 3654. An act to amend section 3 of the Postal Salary Act of July 6, 1945; to the Committee on Post Office and Civil Service.

S. 3724. An act for the relief of Maria Sulikowska Forbes; to the Committee on the Judiciary.

S. 3889. An act to increase the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States; to the Committee on Armed Services.

S. 3960. An act to amend subsection (b) of section 10 of the act of June 26, 1884, as amended (U. S. C., title 46, sec. 599 (b)); to the Committee on Merchant Marine and Fisheries.

S. 3979. An act to fix the responsibilities of the disbursing officer and of the auditor of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

S. 3997. An act to amend title 18, United States Code; to the Committee on the Judiciary.

S. J. Res. 163. Joint resolution to designate the reservoir above the Baldhill Dam in North Dakota as Lake Ashtabula; to the Committee on Public Lands.

S. Con. Res. 100. Concurrent resolution providing for the printing of proceedings at the unveiling of the statue of Brigham Young; to the Committee on House Administration.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 612. An act for the relief of Col. W. M. Chubb;

H. R. 1618. An act for the relief of Kenneth J. MacKenzie;

H. R. 1922. An act to amend section 10 of the Reclamation Project Act of 1939;

H. R. 1988. An act for the relief of Leslie A. Fry.

H. R. 2350. An act for the relief of Mrs. Marion M. Martin Jones;

H. R. 2805. An act for the relief of John F. Oettl;

H. R. 2854. An act for the relief of Wade H. Noland;

H. R. 3605. An act to provide for the documentation of the Canadian-built vessel *North Wind* owned by a citizen of the United States;

H. R. 4065. An act to provide for the relinquishment of mineral reservations in the land patent of Thomas Stephens;

H. R. 4117. An act to remove the present restriction relating to the granting of privileges within Kings Canyon National Park in order that privileges hereafter granted may be consistent with those granted in other areas of the national-park system, and for other purposes;

H. R. 5157. An act for the relief of the legal guardian of Anthony Albanese, a minor;

H. R. 5282. An act to amend section 3 of the Organic Act of Puerto Rico;

H. R. 6657. An act for the relief of Georges Jules Louis Sauvage;

H. R. 6850. An act for the relief of Lt. Col. F. A. Ferguson;

H. R. 6959. An act authorizing the Secretary of the Interior to issue a patent in fee to William Watt;

H. R. 6960. An act authorizing the Secretary of the Interior to issue a patent in fee to James Wilbur Watt;

H. R. 6961. An act authorizing the Secretary of the Interior to issue a patent in fee to Mary E. White Watt;

H. R. 6963. An act authorizing the Secretary of the Interior to issue a patent in fee to Guy L. Heckenlively;

H. R. 6964. An act authorizing the Secretary of the Interior to issue a patent in fee to Josephine Stevens Goering;

H. R. 7043. An act to provide for the granting of an easement for a public road or public toll road through the wildlife refuge located in Princess Anne County, Va.;

H. R. 7192. An act to provide benefits for the widows of certain persons who were retired or are eligible for retirement under section 6 of the act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved June 20, 1918, as amended;

H. R. 7253. An act for the relief of Charles Wilson Roland and Mirtle L. Roland;

H. R. 7293. An act authorizing the Secretary of the Interior to issue a patent in fee to Charlotte Geisdorf Kibby;

H. R. 7294. An act authorizing the Secretary of the Interior to issue a patent in fee to Rebecca Collins Ross;

H. R. 7431. An act for expenditure of funds for cooperating with the public school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district, and for other purposes;

H. R. 7540. An act for the relief of Louise Peters Lewis;

H. R. 7773. An act to authorize the sale of certain allotted land on the Pine Ridge Indian Reservation, S. Dak.;

H. R. 7869. An act to provide for the furnishing of quarters at Newnan, Ga., for the United States District Court for the Northern District of Georgia;

H. R. 7887. An act granting the consent and approval of Congress to an amendment to the Atlantic States Marine Fisheries Compact, and repealing the limitation on the life of such compact;

H. R. 8144. An act to authorize the sale of a small tract of land at Great Falls, Mont.;

H. R. 8450. An act for the relief of Ralef Neahem, Iffe Neahem, and Ihnen Neahem;

H. R. 8597. An act to permit national banks to give security in the form required by State law for deposits of funds by local public agencies and officers;

H. R. 8767. An act to authorize the exclusion from the malls of all obscene, lewd, lascivious, indecent, filthy, or vile articles, matters, things, devices, or substances, and for other purposes;

H. R. 8792. An act to amend the statute relating to certificates of trade-mark registrations;

H. R. 8845. An act to provide for the conveyance of a tract of land in Kennebec County, Maine, to the town of Chelsea;

H. R. 8923. An act to provide improved procedures with respect to the financial control of the Post Office Department, and for other purposes;

H. R. 8944. An act authorizing the Ogdensburg Bridge Authority, its successors and assigns, to construct, maintain, and operate a bridge across the St. Lawrence River at or near the city of Ogdensburg, N. Y.;

H. R. 9074. An act to amend chapter 61 (relating to lotteries) of title 18, United States Code, to make clear that such chapter does not apply to nonprofit contests wherein prizes are awarded for the species, size, weight, or quality of fish caught by the contestant;

H. R. 9120. An act to amend section 322 (b) (3) of the Internal Revenue Code;

H. J. Res. 453. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the First United States International Trade Fair, to be held at Chicago, Ill., August 7 through 20, 1950;

H. J. Res. 489. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Mid-Century International Exposition, Inc., New Orleans, La., to be admitted without payment of tariff, and for other purposes;

H. J. Res. 496. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the International Food Exposition, Inc., Chicago, Ill., to be admitted without payment of tariff, and for other purposes; and

H. J. Res. 501. Joint resolution to authorize the procurement of an oil portrait and a marble bust of the late Chief Justice Harlan F. Stone.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3644. An act to amend the War Claims Act of 1948, as amended.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1161. An act to provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes; and

H. R. 4604. An act to authorize the admission into the United States of certain aliens possessing special skills, namely, Teodor Egle, Karlis Fogelis, Vasily Kils, and Aleksanders Zelmenis.

PROCEEDINGS AGAINST STEVE NELSON

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2848).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING STEVE NELSON

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, caused to be issued a subpoena to Steve Nelson. The said subpoena directed Steve Nelson to be and appear before said Com-

mittee on Un-American Activities on April 26, 1949, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpoena served upon said Steve Nelson is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to C. E. Owens: You are hereby commanded to summon Steve Nelson, to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which Hon. JOHN S. WOOD is chairman, in their chamber in the city of Washington, room 226, Old House Office Building, on April 26, 1949, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 22d day of March 1949.

"JOHN S. WOOD,
Chairman.

"Attest:

"[SEAL]

"RALPH R. ROBERTS,
Clerk, United States House of Representatives."

The said subpoena was duly served as appears by the return made thereon by C. E. Owens, investigator of the Committee on Un-American Activities, House of Representatives, who was duly authorized to serve the said subpoena. The return of the service by the said C. E. Owens, being endorsed thereon, is set forth in words and figures as follows:

"Subpoena for Steve Nelson before the Committee on Un-American Activities. Served the within-named individual in the offices of the Communist Party of Weston, Pa., 426 Bakewell Building, Pittsburgh, Pa., March 24, 1949.

"C. E. OWENS,
Investigator."

On May 2, 1949, a telegram was sent to Mr. Steve Nelson, which is set forth herein in words and figures, as follows:

WASHINGTON, D. C., May 2, 1949.

Mr. STEVE NELSON,
Room 426, Bakewell Building,
417 Grant Street, Pittsburgh, Pa.:

You are hereby directed to appear before the House Committee on Un-American Activities on May 25, 1949, 10:30 a. m., instead of May 11, 1949, as previously directed.

JOHN S. WOOD,
Chairman.

On May 23, 1949, a telegram was sent to Mr. Steve Nelson, which is set forth in words and figures, as follows:

WASHINGTON, D. C., May 23, 1949.

Mr. STEVE NELSON,
Room 426, Bakewell Building,
417 Grant Street, Pittsburgh, Pa.:

With reference to the subpoena served upon you on March 24, 1949, and our telegram of May 2, 1949, calling for your appearance on May 25, 1949, you are advised that your appearance before the Committee on Un-American Activities has been postponed until June 8, 1949, at 10:30 a. m.

JOHN S. WOOD,
Chairman.

The said Steve Nelson, pursuant to said subpoena, and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution 5 of the Eighty-first Congress. The said Steve Nelson, having appeared as a witness and having been asked questions, namely:

"Did he [Josef Fleischinger] have a son, Josef Fleischinger, Jr., a cousin of yours?"

"Do you know a person by the name of Josef Fleischinger, Jr.?"

"As a matter of fact, you entered the United States illegally under this passport, did you not?"

"Did you enter the United States posing as Josef Fleischinger under this passport?"

"I hand you a photostatic copy of a portion of the October 27, 1934, issue of the Daily Worker, in which appears an article, 'Old Parties Push Fake Job Slogans in Penn Elections,' by Steve Nelson. I ask if that was a contribution to the Daily Worker made by you?"

"Mr. Nelson, I hand you a photostatic copy of the March 1934 issue of Party Organizer, a publication of the Communist Party, which carries an article entitled 'How the Unemployment Councils Were Built in Lackawanna County,' by Steve Nelson, in which unemployment councils and party units are discussed, and an appeal is made to the unemployed, small-home owners, and single young workers. Will you examine this article and state whether or not you made that contribution to that magazine?"

"Were you a candidate for the legislature, as stated under the photograph?"

"I hand you another issue of the Daily Worker, bearing date of November 3, 1936, which contains the national list of the Communist Party candidates, and under the heading 'Lucerne County, Seventh Legislative District' appears your name, Steve Nelson. Will you examine that and state whether or not you were a candidate for office at that time?"

"Were you section organizer of the Communist Party in that locality at that time?"

"And I will ask you, Mr. Witness, to examine Nelson exhibit 9 and state whether or not that was a passport application made by you on the date indicated thereon?"

"This application further shows that a passport was issued August 14, 1931. Did you receive the passport?"

"Were you in Moscow?"

"Did you attend the Lenin Institute?"

"Did you leave the United States and go to France, and from France to Germany, and from Germany to Russia?"

"Did you receive legal passport to leave this country when you went to Spain to become engaged in the fighting there?"

"Mr. Nelson, were you in the State of California in March 1941?"

"Were you the county organizer of Alameda County, Calif., in March 1941?"

"I will ask if you were in Oakland, Calif. in December 1942?"

"Were you on the national committee of the Communist Party, representing the State of California in the year 1944?"

"Now, I would like to ask you if, during that period of time, 1941 through 1943, you were acquainted with the Communist Party cell alleged to have been in existence at the radiation laboratory at Berkeley, Calif.?"

"Did you know Bernadette Doyle in California?"

"Was she your secretary in the organization work of the Communist Party in California?"

"And did you meet at her home, or at the place where she lived, with other persons, or any persons advocating Communist beliefs?"

"Did you become acquainted in California with Dr. Irving David Fox?"

"Did you become acquainted with Dr. Joseph Weinberg?"

"Did you meet him at any time from the beginning of 1941 to the end of 1943 at your home?"

"Do you know Dr. Giovanni Rossi Lomanitz?"

"Did you visit the home of Dr. Weinberg on August 17, 1943, at 2427 Blake Street, Berkeley, Calif.?"

"Do you recall, Mr. Nelson, a conference held in New York City at Hotel Lincoln on

June 23, 1947, which meeting had to do with the American Slav Congress and the Croatian Fraternal Union?"

"Did you, on that occasion, meet Tom Babin?"

"Do you know Mr. Paul Crouch?"

"Are you a Communist?"

"Are you familiar with the policies and program of the Communist Party of the United States?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Steve Nelson's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpoena served upon the said Steve Nelson.

The record of the proceedings before the committee on June 8, 1949, during which said Steve Nelson refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"A subcommittee of the Committee on Un-American Activities met pursuant to call at 11:25 a. m. in room 226, Old House Office Building, Hon. John McSweeney presiding.

"Committee members present: Representatives John McSweeney (presiding), Burr P. Harrison, Richard M. Nixon, and Francis Case.

"Mr. McSweeney. The chairman has designated me to preside over the subcommittee's hearing this morning.

"Let the record show that this is a subcommittee appointed by the chairman, constituted of Mr. HARRISON, Mr. NIXON, Mr. CASE, and JOHN MCSWEENEY, who has been designated to preside.

"Mr. TAVENNER. I would like to call as the first witness Mr. Steve Nelson.

"Mr. McSweeney. Will you rise and raise your right hand. You solemnly swear to tell the committee the whole truth and nothing but the truth, so help you God?"

"Mr. NELSON. I do.

"Mr. TAVENNER. Is Josef Fleischinger your uncle?"

"Mr. NELSON. I will take the same stand on that question, Mr. Chairman. I refuse to answer that on the ground it may tend to incriminate me.

"Mr. TAVENNER. Let me ask you this question. In what manner could the acknowledgement that Josef Fleischinger is your uncle tend to incriminate you?"

"Mr. BLOCH. I don't know what my rights are here. I know they are severely limited; they have been in the past. I don't know if the committee would like to hear an objection in any legal form. If I am allowed to record the objections, I would like to state for the record that the question itself calls for the divulgence of information that might be incriminatory in character. Therefore, the question is improper and I object to it.

"Mr. TAVENNER. In reply to counsel, I desire to state that if there is any indication from evidence that is presented to this committee that such should be the case, he would be within his rights in claiming immunity.

"Mr. BLOCH. Furnishing you evidence, or a scintilla of evidence, to indicate the basis of the witness' refusal to answer on the ground it might tend to incriminate him would, in and of itself, destroy the privilege, because it might furnish a link, or a clue, or evidence itself, that might reveal information of an incriminatory character.

"Mr. TAVENNER. In the absence of or refusal of the witness to give any evidence to this committee wherein the divulgence of that information might be incriminating, I think he should be compelled to answer the question.

"Mr. BLOCH. I wonder if the committee would give me a moment to discuss with

the witness his constitutional rights and clarify in my own mind something?"

"Mr. McSweeney. Yes.

"(Witness confers with his counsel.)

"Mr. BLOCH. If the committee pleases, the witness would like to clarify his refusal by a sketchy summary statement which will suggest, at any rate, to the committee his basis for refusing to answer without destroying the privilege.

"Mr. McSweeney. Mr. Nelson, proceed.

"Mr. NELSON. In the first place, I understand the fifth amendment to mean that you have no right to press me to interpret or to give you my reasons for not answering the question. Secondly, this committee knows that I am a Communist, and if I should admit that I know certain people, those people would be subject persecution, and I will not cooperate with the committee on that score.

"Mr. NIXON. Mr. Chairman—

"Mr. NELSON. And of course because it would incriminate me.

"Mr. NIXON. Mr. Chairman, the reasons the witness has given do not bear on the matter of self-incrimination. The fact that it is going to embarrass somebody else who happens to be a relative certainly does not bear on the question of self-incrimination. I think the understanding should be reached at the present time that if the witness is using self-incrimination simply to show his contempt for the committee, that the committee should take proper action.

"Mr. BLOCH. The witness did not confine his refusal to the fact it may involve other people in persecutions, as he termed it, but he also assigned the reason that he himself would be incriminated. I think the record bears that out very clearly. He might have many reasons for refusing to answer, but I submit that if one of those reasons involves his right against self-incrimination, he refusal should be upheld.

"Mr. HARRISON. Might I ask what counsel suggests?"

"Mr. TAVENNER. I would like the witness to comply with what I conceive the law to be in such matters, that if he has any reasons or can give this committee any information that could lead this committee to believe that his reply would be of an incriminatory nature, then he should not be required to answer the question; otherwise, he should be required to answer. And I want him to have every opportunity to present to this committee some information that would permit this committee to come to some conclusion, because I deem it to be the right and privilege of this committee to determine whether or not the question should be answered.

"Mr. CASE. Mr. Chairman—

"Mr. BLOCH. If the committee pleases—

"Mr. McSweeney. Mr. Case.

"Mr. CASE. Did the witness complete his statement? He started to say for the further reason that it would tend to incriminate himself. Did that complete your statement?"

"Mr. NELSON. Yes.

"Mr. BLOCH. If I might be heard for 2 seconds on this question, and I think it is a question of law more than anything else, the courts have held repeatedly—and this is within the last few years, and if you care for the citations I can give them to you—that when an avowed Communist is questioned about his associations, affiliations, and activities in connection with his Communist beliefs, he has the absolute right to rely upon the fifth amendment, because the Government—incidentally, particularly this committee—has made claims about the Communist movement, charging them with engaging in activities of a criminal character.

"I don't have to enumerate for you the various statutes under which it has claimed that certain members of the Communist Party have committed crimes against the United States. It is apparent we have a

crime by conspiracy, and when you ask a Communist if he knows somebody or has seen somebody or engaged in any activity with somebody, it might tend to put him in the legal noose, I might say, for prosecution by the United States.

"The admission of a relationship may be very damaging. The witness, within the recesses of his mind, knows what has happened in the past, and I don't believe anybody, under our Constitution, has a right to inquire into those thoughts of his which refresh his recollection as to certain incidents of the past, as to whether he has or has not been engaged in conduct that might be conceived as improper.

"I might say this: I don't want to waive any rights as to the bona fides of the question or as to the materiality. I don't know what this committee is after from this witness.

"Mr. MCSWEENEY. You have a right to consult with your client any time during the questioning, and advise your client.

"Mr. BLOCH. Thank you.

"Mr. HARRISON. What is counsel's recommendation as to proceeding at this time?

"Mr. TAVENNER. I would suggest at this time that if there is no evidence satisfactory to the committee which would indicate anything of an incriminatory character in the answer, that the witness should be required to answer the question.

"Mr. HARRISON. I move the witness be directed to answer the question.

"Mr. NIXON. I second the motion.

"Mr. MCSWEENEY. All those in favor of the motion as made and seconded will signify by saying "aye"; those opposed, "no."

"(The motion was unanimously carried.)

"Mr. MCSWEENEY. It is the consensus of the committee that you be directed to answer the question.

"Mr. TAVENNER. Will the reporter read the question.

"(The pending question was read by the reporter, as follows:)

"Is Josef Fleischinger your uncle?

"(Witness confers with his counsel.)

"Mr. NELSON. Josef Fleischinger was my uncle. He is dead.

"Mr. TAVENNER. Did he come to the United States?

"Mr. NELSON. Yes.

"Mr. TAVENNER. When did he die?

"Mr. NELSON. In the last year.

"Mr. TAVENNER. Mr. Nelson, did he have a son, Joseph Fleischinger, Jr., a cousin of yours?

"(Witness confers with his counsel.)

"Mr. NELSON. I refuse to answer that on the grounds that it will tend to incriminate me.

"Mr. TAVENNER. Let me repeat the question. I am not certain that it was understood. Is Josef Fleischinger, Jr., a cousin of yours?

"Mr. NELSON. I gave you that answer and I stand on those grounds.

"Mr. HARRISON. You mean you have answered the question?

"Mr. NELSON. Yes. I said I refused to answer it on the grounds it may tend to incriminate me.

"Mr. HARRISON. Is that your full statement?

"Mr. NELSON. That is my full statement.

"Mr. HARRISON. Mr. Chairman, I move that the witness be instructed to answer the question.

"Mr. MCSWEENEY. You acknowledged your relation to one person. We are asking your relation to another.

"(Witness confers with his counsel.)

"Mr. NELSON. I understand the implications of what you are driving at, and I take the position that this committee is trying to compel me to testify against myself, and I refuse to do so on the grounds that the Constitution protects me.

"Mr. CASE. Mr. Chairman, is he contending that he would be testifying against himself, or tending to incriminate himself, if he answers a question of fact as to whether a certain person is his cousin?

"Mr. BLOCH. May I answer that?

"Mr. MCSWEENEY. You can't testify.

"Mr. BLOCH. I don't want to testify. I want to argue it as a proposition of law, that is all.

"Mr. MCSWEENEY. You can consult with your client.

"Mr. CASE. I would like to ask this question of Mr. Nelson: Do you know a person by the name of Josef Fleischinger, Jr.?

"Mr. NELSON. I have answered that question, sir, the way I think it ought to be answered.

"Mr. CASE. You haven't answered that question.

"Mr. NELSON. That is the same question.

"Mr. HARRISON. I understand you refuse to answer the question?

"Mr. NELSON. I refuse to answer it on the grounds it may tend to incriminate me.

"Mr. HARRISON. And that is the full answer you desire to make?

"Mr. NELSON. Yes.

"Mr. BLOCH. I assume that goes to both questions. The questions are interrelated.

"Mr. HARRISON. Mr. Chairman, I move the witness be directed to answer.

"Mr. NIXON. I second the motion.

"Mr. MCSWEENEY. All those in favor of the motion as made and seconded will signify by saying "Ayes"; those opposed, "No."

"(The motion was unanimously carried.)

"Mr. MCSWEENEY. So ordered. The committee directs you to answer the question.

"(Witness confers with his counsel.)

"Mr. NELSON. Mr. Chairman, I refuse to answer that question upon the further grounds that because of the fact I am a well-known Communist it may tend to cause harm to this person that you are bringing forward here, and I refuse to do that, as well as the fact it is going to do harm to me. This committee is trying to do something it has no right to do.

"Mr. HARRISON. You have no right to assume that.

"Mr. BLOCH. Will you pardon me for 1 second while I confer with the witness?

"Mr. MCSWEENEY. Yes.

"(Conference between the witness and his counsel.)

"Mr. NIXON. While counsel is conferring with the witness I want to make a statement for the record again that the witness' contention that the testimony he would give might be harmful to his relatives or to him has no standing before this committee, as the witness and his counsel both well know.

"Mr. NELSON. Mr. Chairman, I have made two points already of the reasons I am refusing to answer. The additional reason is that if I would answer your question whether I had relations with this person it would definitely tend to incriminate me, and therefore I refuse to do so.

"Mr. TAVENNER. I hand you a photostatic copy of a passport. Will you identify that as the passport under which you traveled?

"Mr. NELSON. I would say it looks like the one.

"Mr. TAVENNER. As a matter of fact, you entered the United States illegally under this passport, did you not?

"Mr. NELSON. I refuse to answer that.

"Mr. TAVENNER. On what ground?

"Mr. NELSON. Because it may tend to incriminate me.

"Mr. TAVENNER. The offense, if one existed, is barred by the statute of limitations, this having occurred in 1920; and the fifth amendment does not, in my judgment, afford immunity where you cannot be prosecuted because of the alleged offense being barred

by the statute of limitations; so I again ask you to answer the question.

"(Witness confers with his counsel.)

"Mr. NELSON. What is the question again?

"Mr. TAVENNER. Read the question.

"The question referred to was read, as follows:

"As a matter of fact, you entered the United States illegally under this passport, did you not?

"Mr. NELSON. Mr. Chairman, I don't admit that I came into the United States illegally.

"Mr. MCSWEENEY. You admit this to be your passport?

"Mr. NELSON. That is right.

"Mr. TAVENNER. There appears on the last page of this passport the following certification:

"'AMERICAN LEGATION,

"'Belgrade, April 15, 1920.

"I hereby certify that Mr. Josef Fleischinger, the holder of this passport, is accompanied by his wife Mary and minor children, Josef, Elsie, and Mary."

"Did you not enter the United States posing as Josef Fleischinger under this passport?

"(Witness confers with his counsel.)

"Mr. NELSON. I didn't fill that thing out. At the time I was 16 years old or so, and I can't say. Therefore I refuse to answer the question. It might tend to incriminate me if I answered I came in illegally, or perhaps if you put the interpretation on it that I prepared the thing.

"Mr. TAVENNER. You were arrested for deportation, were you not, because of illegal entry?

"Mr. NELSON. That is right.

"Mr. TAVENNER. When was that?

"Mr. NELSON. I can't recall. I think it was in 1921.

"Mr. TAVENNER. Was that about June 22, 1922, you think?

"Mr. NELSON. I can't be sure about that date.

"Mr. TAVENNER. Was a hearing afforded you on October 17, 1922, in Philadelphia, as a result of which you were afforded an opportunity to legalize your residence in this country?

"Mr. NELSON. That is right, but I am not sure about the date.

"Mr. TAVENNER. And is it not also true that on the 14th of November 1922, the Secretary of State waived the passport requirements on behalf of yourself, your mother Mary, and your two sisters?

"Mr. NELSON. I don't know what the technical or legal procedure was, but my understanding was that the case was dropped, and that ended the matter so far as I know.

"Mr. TAVENNER. I hand you a photostatic copy of a portion of the issue of November 10, 1937, of the Daily Worker. The Daily Worker is an official publication of the Communist Party, is it not?

"(Witness confers with his counsel.)

"Mr. NELSON. It is not an official organ of the Communist Party now.

"Mr. TAVENNER. In 1937 it was an official publication of that party, was it not?

"Mr. NELSON. I believe it was then.

"Mr. TAVENNER. I hand you this article, entitled 'Steve Nelson an Exemplary Political Commissar in the International Brigade,' by Joseph North, and ask you to examine it.

"(Witness examines document and confers with his counsel.)

"Mr. NELSON. I didn't have a chance to read it carefully. It appears to be an article from the Daily Worker, but I can't say that all the facts are correct, because the story was cabled from Valencia, Spain. At that time I was in a hospital wounded, and I don't recall reading the story, that is, the article, as it appeared in the Daily Worker, because I wasn't here at the time.

"Mr. TAVENNER. You knew Joseph North in Spain, did you not?

"Mr. NELSON. Yes, I met him. He was a correspondent for the Daily Worker.

"Mr. TAVENNER. This article describes your activity to some extent in the International Brigade?

"Mr. NELSON. Yes, I gather that from glancing at it.

"Mr. TAVENNER. In the course of this article it is stated: 'The working people of the Soviet Union were passing through a bitter period and Steve joined the Friends of Soviet Russia. On the first anniversary of Lenin's death, he joined the C. P. at the memorial meeting in Philadelphia.' Is that correct?

"Mr. NELSON. That is what the story says, but the facts are not so.

"Mr. TAVENNER. Didn't you tell Mr. North that when he prepared this article?

"Mr. NELSON. How do I know what I told him 12 years ago?

"Mr. TAVENNER. Do you or do you not?

"Mr. NELSON. Would you remember details like that 12 years ago?

"Mr. HARRISON. Answer the question.

"Mr. NELSON. I don't know.

"Mr. HARRISON. You do not know whether you did or not?

"Mr. NELSON. That is right.

"Mr. TAVENNER. Is it not a fact that you did join the Communist Party in Philadelphia on the anniversary of Lenin's death?

"Mr. NELSON. That is not true. Let me point out to you, which is what I wanted to say, Mister—I don't know who you are, by the way.

"Mr. TAVENNER. That doesn't make any difference.

"Mr. NELSON. I think I should know. What I wanted to point out was that the Communist Party of the United States was organized later as a Communist Party and not, as far as I recall, was it organized in 1924. It was the Workers Party.

"Mr. TAVENNER. I desire to offer in evidence the publication referred to and have it marked 'Nelson exhibit 2.'

"Mr. HARRISON. It is admitted.

"Mr. TAVENNER. You did join the Communist Party, however, did you not?

"Mr. NELSON. It is a well-known fact I am a member of the Communist Party. I must have joined it.

"Mr. TAVENNER. You must have joined it. All right.

"Mr. HARRISON. I ask the witness to respond directly to the questions propounded 'Yes' or 'No.' I am not undertaking to limit his answers, but I do think it would save time if he answered more directly the questions asked by counsel.

"Mr. TAVENNER. I hand you a photostatic copy of a portion of the October 27, 1934, issue of the Daily Worker, in which appears an article, 'Old Parties Push Fake Job Slogans in Penn Elections,' by Steve Nelson. I ask if that was a contribution to the Daily Worker made by you?

"(Witness examined document and confers with his counsel.)

"Mr. NELSON. Mr. Chairman, I think the line of questions of the committee is pretty clear to me by now. It is clearly an attempt to build up a line of questions which will tend to incriminate me as an active Communist, and incriminate other people, and I reserve the right not to answer that.

"Mr. HARRISON. Does that complete the witness' statement in explanation of his refusal to answer the question?

"(Witness confers with his counsel.)

"Mr. NELSON. Yes; it does.

"Mr. HARRISON. The committee will direct the witness to answer the question.

"(No response.)

"Mr. HARRISON. Let the record show that the witness refused to answer.

"Mr. TAVENNER. I don't know if the witness made reply to your question.

"Mr. HARRISON. The witness made no further reply when directed to answer.

"Mr. BLOCH. If the committee pleases, in asking the committee to reconsider its ruling I would like to point out that membership in the Communist Party, with knowledge of its policies and program, constitutes a criminal offense under the Smith Act of 1940, and the answer to this particular inquiry would tend to show that this witness was a Communist who was active, who wrote for official publications of the Communist Party, and would therefore directly involve him in the imputation that he is active in the Communist Party and knows full well its policies and program. That is an elaboration of the assertion of the witness that he is relying upon his rights under the Constitution, particularly the right of protection against self-incrimination.

"Mr. TAVENNER. I offer this publication in evidence and ask it be marked 'Nelson exhibit 3.'

"Mr. HARRISON. It will be admitted.

"I understand there is no disposition on the part of the committee to change its conclusion that this is a proper question for the witness to answer.

"Mr. BLOCH. I think Representative Nixon is fully familiar with this law, and as one who has specific knowledge of the Smith Act, there is no question or controversy in what I have stated to the committee in support of the witness' insistence that he be afforded his protection under the fifth amendment.

"Mr. NIXON. I might say that the reason I think the chairman was justified in directing that the witness answer the question is that Mr. Nelson has already, in his testimony, stated that he is an open and avowed Communist.

"Mr. BLOCH. Being an open and avowed Communist does not come within the purview of the Smith Act. Being a Communist who is active and who has knowledge of the policies and programs of the Communist Party is, according to the Government's interpretation as indicated by the indictment against the 11 Communist leaders in New York, subject to the penalties of the Smith Act.

"Mr. NIXON. I think the record of Mr. Nelson's statement on that will indicate he went further as to the kind of a Communist he was, but in any event, in view of his membership in the party, and in view of Mr. Nelson's admission that that membership and his activities are well known, I don't see how answering the question would incriminate him.

"Mr. BLOCH. I would like to press the objection and call attention to the history of this committee, with reference to accusations made against the predecessor of this committee, that they were invading constitutional rights. It was said in the press that this committee was going to be scrupulous in protecting the constitutional rights of witnesses, and I therefore suggest to the committee that it be extremely deliberate in its judgments when it is beginning to ask questions which might tread on the constitutional rights of persons who appear before it, under subpoena or otherwise.

"Mr. TAVENNER. Mr. Nelson, I hand you a photostatic copy of the March 1934 issue of Party Organizer, a publication of the Communist Party, which carries an article entitled 'How the Unemployment Councils Were Built in Lackawanna County,' by Steve Nelson, in which unemployment councils and party units are discussed, and an appeal is made to the unemployed, small home owners, and single young workers. Will you examine this article and state whether or not you made that contribution to that magazine?

"(Witness examines document and confers with his counsel.)

"Mr. NELSON. Mr. Chairman, I refuse to answer that question on the grounds that

this is interfering with my right under the first amendment of the Constitution and on the grounds of the fifth amendment, along the same line that I explained this morning, that you gentlemen know that the Communist Party is under attack, and things are ascribed to the Communist Party that are false but this committee contends they are correct, and on the grounds of that I cannot answer the question.

"Mr. WOOD. I understand the question asked you is whether you contributed that article, a photostatic copy of which was presented to you, to the magazine. I fail to see how an answer to that question would tend to incriminate you or violate any of your constitutional rights.

"Mr. BLOCH. Mr. Chairman, you were not here this morning, but this question has been argued out as a proposition of law, and in addition to the statements made by the witness I was given the permission, the privilege, to elaborate. I advise the witness to persist in his refusal to answer on the grounds stated.

"Mr. WOOD. I still don't see how an answer to that question would tend to incriminate him.

"Mr. TAVENNER. I desire to introduce the article in evidence and have it marked 'Nelson Exhibit 4.'

"Mr. TAVENNER. I hand you a photostatic copy of the September 17, 1936, issue of the Daily Worker, which carries your picture and refers to your candidacy for the legislature of the State of Pennsylvania from Wilkes-Barre, and to the political value of the circulation of the Sunday Worker, in which you were alleged to have been engaged. Will you examine that and state whether or not that is your photograph?

"(Witness examines document and confers with his counsel.)

"Mr. NELSON. I can't tell whether the photograph is mine or not. It appears to be.

"Mr. TAVENNER. Were you a candidate for the legislature, as stated under the photograph?

"Mr. NELSON. The answer I gave to the other question applies to this one in the same way. If you want me to, I will repeat it.

"Mr. WOOD. You mean you decline to answer whether you were a candidate for the legislature in Pennsylvania in 1936?

"Mr. NELSON. Yes.

"Mr. WOOD. On the ground it would tend to incriminate you?

"Mr. NELSON. Yes; first and fifth amendments.

"(Conference between the witness and his counsel.)

"Mr. NELSON. If it isn't understood, I mean on the ground that it may tend to incriminate me.

"Mr. TAVENNER. I desire to offer the paper in evidence and have it marked 'Nelson Exhibit 5.'

"Mr. WOOD. Without objection, it is admitted.

"Mr. TAVENNER. I hand you another issue of the Daily Worker, bearing date November 3, 1936, which contains the national list of the Communist Party candidates, and under the heading 'Luzerne County, seventh legislative district' appears your name, Steve Nelson. Will you examine that and state whether or not you were a candidate for office at that time?

"Mr. NELSON. I refuse to answer that question on the grounds I have already stated before.

"Mr. CASE. Mr. Chairman, is it going to be an accepted position of this committee that it is going to be incriminating to be a candidate for public office in the United States?

"Mr. NELSON. May I comment on that?

"Mr. WOOD. In response to the question propounded by a member of the committee,

I will state to the committee that it should not be understood the committee is accepting any such statements or excuses.

"Mr. BLOCH. I would like to respond to the Congressman's inquiry.

"Mr. WOOD. I think I have responded to it.

"Mr. BLOCH. I could add something if you would permit me.

"Mr. TAVENNER. I offer the paper in evidence and ask that it be marked 'Nelson Exhibit 6.'

"Mr. WOOD. Without objection it will be received.

"Mr. TAVENNER. I present to you another issue of the Daily Worker, bearing date February 24, 1936, in which there appears a letter over your name in which it is stated:

"Instead of section organizers just working out 'plans,' they will now have the responsibility of trying to carry out some plans in practice.

"My personal response to the challenge is that I will recruit 25 members by the party convention, of which 18 applications have already been sent in, including 13 miners (5 of them employed, 8 of them on WPA), 2 employed textile workers and 1 unemployed; 3 professionals. I will make it my business to fulfill my quota by the convention."

"The name appears 'Steve Nelson' with the letters 'SO, Luzerne County.'

"Did you write that letter to the Daily Worker?

"Mr. NELSON. I refuse to answer that on the same grounds I gave before.

"Mr. TAVENNER. I call your attention to the letters 'SO' appearing after your name. Does that indicate section organizer?

"(Witness confers with his counsel.)

"Mr. NELSON. I refuse to answer that.

"Mr. TAVENNER. Were you section organizer of the Communist Party in that locality at that time?

"Mr. NELSON. I refuse to answer that.

"Mr. TAVENNER. I offer in evidence that paper and ask that it be marked 'Nelson Exhibit 8.'

"Mr. WOOD. Without objection, it will be admitted.

"Mr. TAVENNER. I hand you now a photostatic copy of a passport application which was obtained by the committee in response to a subpoena, and will ask you if you can identify it. It is over the name of Steve Nelson.

"(Witness confers with his counsel.)

"Mr. NELSON. Mr. Chairman, I refuse to answer that question on the same grounds plus the additional reason that this has to do with my political activity, and therefore I refuse to answer that question.

"Mr. WOOD. Exactly what was the question, Mr. TAVENNER?

"Mr. TAVENNER. I asked if he could identify it.

"Mr. MOULDER. Could it be marked as an exhibit first so that it might be referred to as an exhibit?

"Mr. TAVENNER. I offer in evidence this photostatic copy of passport application and ask that it be marked 'Nelson Exhibit 9.'

"Mr. WOOD. It will be received.

"Mr. TAVENNER. And I will ask you, Mr. Witness, to examine Nelson exhibit 9 and state whether or not that was a passport application made by you on the date indicated thereon?

"Mr. NELSON. Same answer, Mr. Chairman.

"Mr. WOOD. It might be pointed out, I believe, Mr. Nelson, that at the moment the question of whether or not you made that application is the one put to you. There are no political implications in that question. Do you still decline to answer?

"Mr. NELSON. It is my understanding it does bear on my political activity. That is why I refuse to answer.

"Mr. WOOD. Up to this moment there has been no implication of that character put

forth in connection with that particular question or this particular exhibit. The simple question asked you now is: Did you yourself make this application, a photostatic copy of which has been submitted to you, marked 'Nelson Exhibit 9'? Do you still desire to answer as you did?

"Mr. NELSON. The same answer.

"Mr. WOOD. And you decline to answer for that reason?

"Mr. NELSON. Yes.

"Mr. BLOCH. May I say that although on the face it may not appear there is a political implication, the witness may have in his mind—and he is the only one who knows—his conduct and activities in connection with the alleged making of this passport application, and it is not for you or for me to say whether or not this witness has that in mind.

"Mr. WOOD. Mr. Attorney, you may advise your client what you are advising the committee if you so desire.

"Mr. BLOCH. I so advised him.

"Mr. NIXON. I understand the witness says there is an implication in connection with the Communist International. Is that correct?

"Mr. BLOCH. Don't answer. That is precisely the advice of—

"Mr. WOOD. Mr. Counsel, you will have to remain seated if you remain in here.

"Mr. BLOCH. I am sorry. I thought I was courteous. I always stand in court.

"Mr. WOOD. I will go further and say you will have to remain quiet if you stay here.

"Mr. BLOCH. Evidently a precedent was set this morning. I was permitted to argue questions of law. If the committee is going to be an Indian giver and take it away, you may so state for the record.

"Mr. WOOD. Let us get this settled now. You have a perfect right to confer with Mr. Nelson, whom I assume you represent?

"Mr. BLOCH. That is correct.

"Mr. WOOD. To the fullest extent you desire; and having done so, it is up to the witness to answer. The committee does not desire any argument.

"Mr. BLOCH. I understand the import of the chairman's ruling. I thought, as one lawyer speaking to other lawyers, I might elucidate the committee on questions of law.

"Mr. CASE. The committee has counsel of its own. I understood counsel was counsel for the witness and not for the committee.

"Mr. BLOCH. I am submitting to the chairman's ruling under protest, because I believe you are depriving the witness of a constitutional right he has to have his counsel argue questions of law in his behalf. That is the American tradition.

"Mr. WOOD. Proceed.

"Mr. TAVENNER. Mr. Nelson, this passport application shows that the person signing it stated: 'I solemnly swear that I was born at Rankin, Pa.' Were you born at Rankin, Pa.?"

"(Witness confers with his counsel.)

"Mr. NELSON. I refuse to answer that. I told you where I was born.

"Mr. NIXON. He answered the question.

"Mr. TAVENNER. This application further shows that a passport was issued August 14, 1931. Did you receive the passport?

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Mr. Chairman, I think I should read to the witness, to give him an opportunity to either confirm it or explain it or deny it, the testimony of Mr. William O. Nowell, given before the Committee on Un-American Activities on November 30, 1939, or an excerpt from it.

"Mr. WOOD. Proceed.

"Mr. TAVENNER (reading):

"Mr. WHITLEY. What is your full name, Mr. Nowell?

"Mr. NOWELL. William Odel Nowell.

"Mr. WHITLEY. And where were you born?

"Mr. NOWELL. In the State of Georgia.

"Mr. WHITLEY. When were you born?

"Mr. NOWELL. July 11, 1904.

"Mr. WHITLEY. What is your present residence, Mr. Nowell?

"Mr. NOWELL. Detroit, 1882 Fleming.

"Mr. WHITLEY. How long have you lived in Detroit?

"Mr. NOWELL. About 16 years.

"Mr. WHITLEY. Were you ever a member of the Communist Party?

"Mr. NOWELL. I was.

"Mr. WHITLEY. When and where did you join the party?

"Mr. NOWELL. I joined in Detroit, in 1929, in the summer of 1929.

"Mr. VOORHIS. When did you leave the Communist Party?

"Mr. NOWELL. I left at the end of 1936.

"Mr. VOORHIS. At the end of 1936?

"Mr. NOWELL. Yes.

"Mr. WHITLEY. What national or local party leaders do you know or have you worked with, Mr. Nowell?

"Mr. NOWELL. I have worked with most of the national leaders—that is, those that were leaders since—committee members, and leading Communist functionaries locally and nationally for the period 1929 to 1935 or 1936, and I have a list here. I have a complete list here of people—it is not exhaustive by any means—of people who were in and are still playing a very important part in the leadership of the Communist Party in various sections of the country. I also have a prepared list here of people that I know to be occupying strategic positions in industries and organizations in Detroit and Michigan.

"Mr. WHITLEY. Will you read that list if it is not too extensive?"

"Then, proceeding to read various names, he stated:

"Mr. NOWELL. * * * Steve Nelson, who went into the International University under the name of Louis Evans, is reported to have served in Spain and toured the country shortly after in the interests of the Communist Party and the Spanish legionnaires, or those people who were sent to Spain to assist the Spanish loyalist cause. He was conspicuous because of his connection with the OGPU in Moscow.

"Mr. VOORHIS. Who is that?

"Mr. NOWELL. Steve Nelson.

"Mr. VOORHIS. You know by your contact with him that he was connected with the OGPU?

"Mr. NOWELL. In Moscow. I was present; I was there at the time."

"Do you desire to make any comment on that testimony that was given before this committee?"

"(Witness confers with his counsel.)

"Mr. NELSON. First of all, that testimony you read there is a piece of testimony given to you by a noted labor spy and a rat, and I refuse to dignify that as being anything but a bunch of—I refuse to answer that question.

"Mr. TAVENNER. Let me ask you this: Were you in Moscow?

"Mr. NELSON. I refuse to answer that question.

"Mr. TAVENNER. Did you attend the Lenin Institute?

"Mr. NELSON. I refuse to answer that question.

"Mr. TAVENNER. Did you leave the United States and go to France, and from France to Germany, and from Germany to Russia?

"Mr. NELSON. I refuse to answer that question.

"Mr. BLOCH. Just a second. Mr. Chairman, I would like to interject at this point, I want the record to note, if it does not note explicitly, that the witness is refusing to answer, I assume, on the same grounds he has already urged. Otherwise, I think the witness should be extended the right to say so

specifically. There were four questions and the witness responded I 'refuse to answer.' I would like the record to show he is refusing to answer on the same grounds he has asserted in refusing to answer previous questions. If there is any doubt in the committee's mind, I want him to be accorded the privilege of saying so specifically.

"Mr. TAVENNER. I will accord him the privilege. I was probably at fault in asking the questions too fast.

"What was the ground of your refusal to answer the last four questions?

"Mr. NELSON. On the grounds of the fifth amendment.

"Mr. TAVENNER. Did you not appear before the American consul at Vienna and request a 2-year renewal of your passport, in which you stated you had resided in Russia from September 1931 to May 1933, and had resided in Germany, Switzerland, and Austria from May to July 1943?

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. NIXON. Mr. Counsel, have you left the Nowell allegations?

"Mr. TAVENNER. Yes.

"Mr. NIXON. Mr. Nelson, I understood you did not want to dignify Mr. Nowell's testimony on the ground he was a labor spy, and you started to say something else.

"Mr. NELSON. That is as far as I want to go.

"Mr. NIXON. You think Mr. Nowell's allegations, because he was a labor spy, are so false that you do not wish to answer?

"Mr. NELSON. I refuse to answer.

"Mr. NIXON. You do not say Mr. Nowell's statements are not true?

"Mr. NELSON. I think my meaning is clear.

"Mr. NIXON. It is not clear at all.

"Mr. NELSON. I refuse to answer the question.

"Mr. NIXON. In one instance, you say Mr. Nowell is a person who could not be believed, in effect, and in the second instance you refuse to answer whether the charges are true or false. Are they false?

"Mr. NELSON. I refuse to answer that question, but you can't hold me from having an opinion on what a labor spy is and how I am going to treat his testimony.

"Mr. NIXON. But as far as the allegations are concerned, you refuse to answer on the ground of self-incrimination?

"Mr. NELSON. That is right.

"Mr. NIXON. You do not say whether they are true or false?

"Mr. NELSON. I refuse to answer that. You can draw your own conclusions.

"Mr. TAVENNER. Did you receive a legal passport to leave this country when you went to Spain to become engaged in the fighting there?

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. You told us this morning that you were wounded in service. Was that in Spain?

"Mr. NELSON. I refuse to answer the question on the same grounds.

"Mr. WOOD. Will you tell us where, if at all?

"Mr. NELSON. I refuse to answer that question.

"Mr. TAVENNER. Mr. Nelson, were you in the State of California in March 1941?

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. I hand you an issue of the Daily Worker bearing date March 21, 1941, and call your attention to an article the heading of which is: '1,500 at coast meeting demand "Free Browder".' In the course of the article this paragraph appears:

"The outdoor rally was called by the San Francisco Communist Party county committee. Speakers were Louise Todd on Why

Browder Was Arrested; Sam Jaye on War and the Attacks on the Trade Unions; Steve Nelson, county chairman of the Communist Party of San Francisco.'

and so on. Will you examine that article and state whether or not it speaks the truth with reference to you?

"Mr. NELSON. Same answer; same grounds.

"Mr. TAVENNER. Were you the county organizer of Alameda County, Calif., in March 1941?

"Mr. NELSON. I refuse to answer that on the same grounds, as well as on the ground of the first amendment. This committee has no business interfering where a person is acting politically.

"Mr. TAVENNER. I desire to offer that paper in evidence and have it marked 'Nelson Exhibit 12.'

"Mr. WOOD. It will be admitted.

"Mr. TAVENNER. I will ask if you were in Oakland, Calif., in December 1942?

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. I hand you a photostatic copy of Daily People's World bearing date December 4, 1942, and call your attention to an article entitled 'Spain Vet Does It Again—Hero in Pacific Fighting—Botcher Splits Enemy Force in Burma Drive.' I call your particular attention to this paragraph contained in the article:

"Botcher, born in Germany, but a citizen of San Francisco since 1931, served in Spain under Lt. Col. Steve Nelson, another American of the International Brigade, now in Oakland."

Will you examine that and state whether it states the facts; that is, the portion that I read to you?

"Mr. NELSON. I refuse to answer that on the same grounds.

"Mr. TAVENNER. I offer that paper in evidence and ask it be marked 'Nelson Exhibit 13.'

"Mr. WOOD. It will be received.

"Mr. TAVENNER. Were you on the National Committee of the Communist Party representing the State of California in the year 1944?

"Mr. NELSON. I refuse to answer that on the same grounds.

"Mr. TAVENNER. I hand you an issue of the Daily Worker of May 23, 1944, and call your attention to an article entitled 'Officers of Communist Political Association,' in which it shows that the president is Earl Browder, the vice president William Z. Foster, and so on, and the national committee members, in addition to the above officers, are, among other persons, 'Steve Nelson, California.' Will you examine the paper and state whether or not it states the fact?

"Mr. NELSON. My answer is the same, grounds the same, fifth amendment.

"Mr. TAVENNER. I desire to offer that paper in evidence and have it marked 'Nelson Exhibit 14.'

"Mr. WOOD. Without objection it will be admitted.

"Mr. TAVENNER. I hand you now a photostatic copy of a letter over the signature of 'Earl Browder, general secretary of the Communist Party, U. S. A.' bearing date November 27, 1939, directed to Rhea Whitley, counsel, Committee on Un-American Activities, Washington, D. C., furnishing a list of the names of the national committee of the Communist Party of the United States and a list of the national committee of the Communist Party elected at the tenth convention, from which there appears, on page 3, William Z. Foster, chairman; Earl Browder, secretary, and under the heading 'Members' among others appears the name 'Steve Nelson.' Is that statement by Mr. Browder correct, or is it false, insofar as it refers to you as a member of the national committee?

"Mr. NELSON. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. I offer the letter in evidence and ask that it be marked 'Nelson Exhibit 15.'

"Mr. WOOD. Without objection it will be admitted.

"Mr. BLOCH. I think you inadvertently designated the date as November 27, 1949. It bears the date November 27, 1939.

"Mr. TAVENNER. I am fairly certain I said 1939. If I was in error, that fact will appear.

"Mr. WOOD. Does the answer remain the same irrespective of what counsel stated the date of the letter to be, 1939 or 1949?

"Mr. NELSON. I answered the question right, as I wanted to.

"Mr. WOOD. Having examined the letter, you now say you decline to answer the question?

"Mr. NELSON. That is right.

"Mr. WOOD. As to its correctness or incorrectness, so far as it applies to you?

"Mr. NELSON. That is right; on the same grounds.

"Mr. TAVENNER. I have presented here evidence, which, if believed, indicates you were active in the organization work of the Communist Party and that you were active as a functionary of the Communist Party in California during the years 1941, 1942, and 1943. Now I would like to ask you if, during that period of time, 1941 through 1943, you were acquainted with the Communist cell alleged to have been in existence at the Radiation Laboratory at Berkeley, Calif.?

"Mr. BLOCH. If the chairman please, I would like to strike the first part of the question as to form. It presupposes a question of fact that has not been proved at all. No such evidence has been adduced. It is of no probative value, it is worthless, and it wouldn't be accepted in any court in this land or any other land. I am willing the witness answer the question provided that preliminary outburst be deleted.

"Mr. WOOD. The witness was asked if he was familiar with an alleged Communist cell existing at Radiation Laboratory at Berkeley during the period 1941 to 1943. What is the witness' answer to that question?

"Mr. NELSON. I refuse to answer that on the same grounds, on grounds of the fifth amendment.

"Mr. TAVENNER. Did you know Bernadette Doyle in California?

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Was she your secretary in the organization work of the Communist Party in California?

"Mr. NELSON. I refuse to answer that on the same grounds.

"Mr. TAVENNER. And did you meet at her home, or at the place where she lived, with other persons or any persons advocating Communist beliefs?

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Did you become acquainted in California with Dr. Irving David Fox?

"Mr. NELSON. I refuse to answer that question on the same grounds?

"Mr. TAVENNER. Did Dr. Joseph Weinberg visit your home at 3720 Grove Street, Oakland, Calif., on March 29, 1943?

"Mr. NELSON. I refuse to answer that question. Even if I had a memory for dates I couldn't remember that.

"Mr. TAVENNER. Did you meet him at any time from the beginning of 1941 to the end of 1943 at your home?

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. You do recall that your home was at 3720 Grove Street, Oakland, Calif., do you not?

"(Witness confers with his counsel.)

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Not on the ground that you do not remember?"

"Mr. NELSON. You can make your own deductions."

"Mr. TAVENNER. I have. Do you know Dr. Giovanni Rossi Lomanitz?"

"Mr. NELSON. I refuse to answer on the same grounds."

"Mr. BLOCH. Mr. Chairman, this matter has been gone over before, before this committee. The very same question was asked. It is purely repetitious; I suggest it to the committee, for the sake of expediency. The witness gave the same answer at that time."

"Mr. WOOD. We don't know if he will give the same answer at this time."

"Mr. TAVENNER. Did you visit the home of Dr. Weinberg on August 17, 1943, at 2427 Blake Street, Berkeley, Calif.?"

"Mr. NELSON. I refuse to answer on the same grounds."

"Mr. TAVENNER. What grounds?"

"Mr. NELSON. Fifth amendment and the grounds it might tend to incriminate me."

"Mr. TAVENNER. I thought you were referring again to the fact that you might not recollect the time."

"Do you recall, Mr. Nelson, a conference held in New York City at Hotel Lincoln on June 23, 1947, which meeting had to do with the American Slav Congress and the Croatian Fraternal Union?"

"Mr. NELSON. I refuse to answer that question on the same grounds."

"Mr. TAVENNER. Did you on that occasion meet Tom Babin?"

"Mr. NELSON. I refuse to answer the question on the same grounds."

"Mr. TAVENNER. Did you meet Tony Gerlach?"

"Mr. NELSON. I refuse to answer the question on the same grounds."

"Mr. TAVENNER. Did you rent a hotel room on that date, June 21—I believe I stated June 23 a few minutes ago, but on June 21—either in your name or with another person, at the Hotel Lincoln?"

"Mr. NELSON. I refuse to answer that question on the same grounds."

"Mr. TAVENNER. Do you know Mr. Paul Crouch?"

"Mr. NELSON. I refuse to answer that question on the same grounds."

"Mr. TAVENNER. I think Mr. Nelson, I should read to you an excerpt from the testimony of Paul Crouch given before this committee on May 6, 1949:

"Mr. WHEELER. * * * You had left Tennessee at that time?"

"Mr. CROUCH. Yes. I recall Kenneth May had bought a home in Berkeley, Calif.—"

"Incidentally, did you know Kenneth May?"

"Mr. NELSON. I refuse to answer that question on the same grounds."

"Mr. TAVENNER (continuing to read): 'and it was at a house-warming party for Kenneth May that I met Professor Hiskey. I would set the date, to the best of my memory, as August 1941. I talked with Hiskey in the presence of my wife, Kenneth May, and Steve Nelson, who was also present.'"

"Mr. NELSON. I refuse to answer that question on the same grounds."

"Mr. TAVENNER (continuing to read):

"Mr. RUSSELL. How well did you know Steve Nelson?"

"Mr. CROUCH. I knew him many years. I had known him in New York before he went to Spain. I do not recall the exact date, but I believe it was between 1934 and 1936 when I was first introduced to him by Walter Trumbull. I knew him after his return from Spain. I met him at various central committee meetings in New York, and when I went to California I found he was San Francisco County leader of the party."

"I was at meetings with him of the district bureau from May 1941 to January 1942. I also knew him through 1942 and 1943 when he was county organizer of Alameda County,

having succeeded me in that position, as he frequently visited my home and tried to get me to return to work as a rank-and-file member of the Communist Party."

"Mr. NELSON. I refuse to answer on the same grounds, and if I may comment on the statement by a person who apparently got a job on a paper down in Florida operating one of these scab varitype machines, you can about guess what I think of a person that would come in that category. I think it is about the lowest thing on earth, a fellow that would go out and scab on union members as he does—"

"Mr. WOOD. Just a minute. You are attempting to give an opinion of a man when you decline to say whether you know him or not. Do you know him or not?"

"Mr. NELSON. I refuse to answer that question on the same grounds. I have read stuff about the guy in the papers."

"Mr. WOOD. You were asked whether you know him and whether the statements he makes in the abstract of testimony are true or not."

"Mr. NELSON. I said I refused to answer that on the same grounds."

"Mr. NIXON. Just as the witness characterized the testimony of Mr. Nowell, he is following the same line of characterizing testimony of Mr. Crouch. Although he will not say the testimony is false, he proceeds to leave an implication in the record that Mr. Crouch is a liar. I would like to ask the witness to back up his charges."

"Mr. BLOCH. There is no such implication in the record. When the witness avails himself of his rights under the fifth amendment he admits nothing, and as a lawyer, Mr. Nixon, you ought to know that."

"Mr. NIXON. I want to tell counsel that as far as the witness' stand is concerned, it is apparent he is trying to leave an implication concerning Mr. Crouch's testimony, and certainly as to his veracity."

"Mr. BLOCH. I think that is his right as an American citizen. I hold the same opinion—"

"Mr. NIXON. Don't interrupt me."

"Mr. BLOCH. I am sorry if I interrupted you."

"Mr. NIXON. Mr. Nelson has the same forum and the same opportunity Mr. Crouch had. If he desires to back up his charges concerning Mr. Crouch, I think the committee would like to have him do so."

"Mr. NELSON. Mr. Chairman, you have my answer."

"Mr. BLOCH. I think the witness is not required to in this forum, but a proper forum."

"Mr. TAVENNER. That is all I desire to ask the witness."

"Mr. MOULDER. Do I understand you admit that you are a member of the Communist Party?"

"Mr. NELSON. I refuse to answer that question."

"Mr. HARRISON. He answered it this morning."

"Mr. MOULDER. And said he was?"

"Mr. HARRISON. Yes."

"Mr. MOULDER. Are you a Communist?"

"Mr. NELSON. I refuse to answer that question. I think you are invading my constitutional right under the first amendment to belong to any party I see fit to join, and I think it is not the business of this committee to question any citizen along that line."

"Mr. MOULDER. Are you familiar with the policies and program of the Communist Party of the United States?"

"Mr. NELSON. I refuse to answer that question."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Steve Nelson relative to the subject matter which, under Public Law 601, section 121, subsection (2), of the Seventy-ninth Congress and under House Resolution

5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Did he [Josef Fleischinger] have a son, Josef Fleischinger, Jr., a cousin of yours?"

"Do you know a person by the name of Josef Fleischinger, Jr.?"

"As a matter of fact, you entered the United States illegally under this passport, did you not?"

"Did you enter the United States posing as Josef Fleischinger under this passport?"

"I hand you a photostatic copy of a portion of the October 27, 1934, issue of the Daily Worker, in which appears an article, 'Old Parties Push Fake Job Slogans in Penn Elections,' by Steve Nelson. I ask if that was a contribution to the Daily Worker made by you?"

"Mr. Nelson, I hand you a photostatic copy of the March 1934 issue of Party Organizer, a publication of the Communist Party, which carries an article entitled 'How the Unemployment Councils Were Built in Lackawanna County,' by Steve Nelson, in which unemployment councils and party units are discussed, and an appeal is made to the unemployed, small-home owners, and single young workers. Will you examine this article and state whether or not you made that contribution to that magazine?"

"Were you a candidate for the legislature, as stated under the photograph?"

"In hand you another issue of the Daily Worker, bearing date November 3, 1936, which contains the national list of the Communist Party candidates, and under the heading 'Luzerne County, Seventh Legislative District' appears your name, Steve Nelson. Will you examine that and state whether or not you were a candidate for office at that time?"

"Were you section organizer of the Communist Party in that locality at that time?"

"And I will ask you, Mr. Witness, to examine Nelson exhibit 9 and state whether or not that was a passport application made by you on the date indicated thereon?"

"This application further shows that a passport was issued August 14, 1931. Did you receive the passport?"

"Were you in Moscow?"

"Did you attend the Lenin Institute?"

"Did you leave the United States and go to France, and from France to Germany, and from Germany to Russia?"

"Did you receive legal passport to leave this country when you went to Spain to become engaged in the fighting there?"

"Mr. Nelson, were you in the State of California in March 1941?"

"Were you the county organizer of Alameda County, Calif., in March 1941?"

"I will ask if you were in Oakland, Calif., in December 1942?"

"Were you on the national committee of the Communist Party, representing the State of California in the year 1944?"

"Now, I would like to ask you if, during that period of time, 1941 through 1943, you were acquainted with the Communist Party cell alleged to have been in existence at the Radiation Laboratory at Berkeley, Calif.?"

"Did you know Bernadette Doyle in California?"

"Was she your secretary in the organization work of the Communist Party in California?"

"And did you meet at her home, or at the place where she lived, with other persons, or any persons advocating Communist beliefs?"

"Did you become acquainted in California with Dr. Irving David Fox?"

"Did you become acquainted with Dr. Joseph Weinberg?"

"Did you meet him at any time from the beginning of 1941 to the end of 1943 at your home?"

"Do you know Dr. Giovanni Rossi Lomanitz?"

"Did you visit the home of Dr. Weinberg on August 17, 1943, at 2427 Blake Street, Berkeley, Calif.?"

"Do you recall, Mr. Nelson, a conference held in New York City at Hotel Lincoln on June 23, 1947, which meeting had to do with the American Slav Congress and the Croatian Fraternal Union?"

"Did you, on that occasion, meet Tom Babin?"

"Do you know Mr. Paul Crouch?"

"Are you a Communist?"

"Are you familiar with the policies and program of the Communist Party of the United States?"

which questions were pertinent to the subject under inquiry, is a violation of the subpoena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD, (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the Record.

Mr. HOFFMAN of Michigan. Reserving the right to object, Mr. Speaker, is there going to be any opportunity to discuss any of these reports?

Mr. WOOD. It was the hope of the committee that we could get through with them this afternoon without any further discussion.

Mr. MARCANTONIO. Reserving the right to object, Mr. Speaker, this is with the understanding that these reports will be printed in the Record?

Mr. WOOD. Exactly.

The SPEAKER. The gentleman included that in his request.

Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 750) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Steve Nelson to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said Steve Nelson may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST PHILIP BART

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2849).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING PHILIP BART

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2),

of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, caused to be issued a subpoena to Philip Bart, Daily Worker, 50 East Thirteenth Street, New York, N. Y. The said subpoena directed Philip Bart to be and appear before said Committee on Un-American Activities on June 12, 1950, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpoena served upon said Philip Bart is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to Alvin Stokes, and/or Stephen Birmingham: You are hereby commanded to summon Mr. Philip Bart to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Washington, room 226, Old House Office Building, on Monday, June 12, 1950, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. "Herein fall not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 29th day of May 1950.

"JOHN S. WOOD,
"Chairman.

"Attest:

"[SEAL]

RALPH R. ROBERTS,
"Clerk, United States
House of Representatives."

The said subpoena was duly served as appears by the return made thereon by Stephen F. Birmingham, who was delegated by the chairman of the Committee on Un-American Activities to serve said subpoena. The return of the service by the said Stephen F. Birmingham, being endorsed thereon, is set forth in words and figures as follows:

"Subpoena for Philip Bart, Communist headquarters, 50 East Thirteenth Street, New York City, before the Committee on Un-American Activities, Washington, D. C. Served at 7 a. m., June 7, 1950, at 50 East Thirteenth Street, Communist headquarters. "STEPHEN F. BIRMINGHAM."

On June 8, 1950, a telegram was sent to Mr. Philip Bart, which is set forth herein in words and figures as follows:

WASHINGTON, D. C., June 8, 1950.

Mr. PHILIP BART,
Daily Worker, 50 East Thirteenth Street,
New York, N. Y.:

Under authority of subpoena served upon you June 7, 1950, your appearance before the Committee on Un-American Activities is hereby postponed from June 12, 1950, until Thursday, June 15, 1950, at 10:30 a. m., room 226, Old House Office Building, Washington, D. C.

JOHN S. WOOD, Chairman.

On June 12, 1950, a telegram was sent to Mr. Philip Bart, which is set forth herein in words and figures as follows:

WASHINGTON, D. C., June 12, 1950.

Mr. PHILIP BART,
Daily Worker, 50 East Thirteenth Street,
New York, N. Y.:

Your appearance before Committee on Un-American Activities is hereby postponed from June 15, 1950, until June 21, 1950, at 10:30 a. m. Your appearance on June 21 is under authority of subpoena served upon you June 7, 1950, which continues in full force and effect.

JOHN S. WOOD, Chairman.

The said Philip Bart, pursuant to said subpoena and in compliance therewith, appeared before the said committee to give such testi-

mony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress. The said Philip Bart, having appeared as a witness and having been asked questions, namely:

"Were you born under the name of Philip Bart?"

"When did you take that name?"

"What was your name at the time you came to the United States?"

"What was your father's name?"

"Under what name did your father become a citizen of the United States?"

"What was that name?"

"What name did you change your name from?"

"Will you briefly summarize for the committee other positions which you have held and from which you have received a salary or gratuity prior to the position you now hold?"

"Who were the other officials of the Ohio section of the Communist Party during the period of time you were organizer there?"

"You have told us you were a section organizer for the Communist Party in Ohio, and my question now is, Who were the officials who worked with you in that work—that is, officials of the Ohio section of the Communist Party?"

"Mr. Bart, in 1934, according to the Party Organizer, a publication issued by the central committee of the Communist Party, you were organizational secretary of district 6 of the Communist Party. That was one of the positions to which you referred, was it not, in which you had been engaged in Communist Party work?"

"I hand you the December 1934 issue of Party Organizer, issued by the central committee, Communist Party, United States of America, and I refer you to page 3, where there is an article entitled The Recruiting Campaign in Cleveland District, by Phil Bart, organizational secretary, district No. 6. I will ask you to examine it. Did you make that contribution to that magazine?"

"At this time, in 1934, who were the officers of district 6 of the Communist Party?"

"Mr. Bart, have you traveled outside the continental limits of the United States since your first arrival here?"

"Have you ever been out of the United States?"

"Have you ever used the name John William Fox?"

"Mr. Bart, I hand you a photostatic copy of an application for passport signed in the name of John William Fox, and I will ask you to look at the photograph appearing on the second page and state to me whether or not that is a photograph of you?"

"Did you use that passport, Mr. Bart?"

"Do you know William Weiner?"

"Do you know Ephraim Schwartzman?"

"I hand you a photostatic copy of a letter bearing date February 21, 1939, signed by E. Schwartzman, national secretary, Jewish Peoples Committee, addressed to Mr. Jack Childs, and I will ask if you received that letter?"

"Mr. Bart, did you ever live at 148 Second Avenue, New York?"

"In 1939 did you live at 854 West One Hundred and Eightieth Street, New York City?"

"Mr. Bart, I will now read you a letter addressed to Mr. William Weiner, dated February 23, 1939, signed by 'Jack.' Before reading it, I will ask if you wrote that letter?"

"Did you know Bill Browder, the brother of Earl Russell Browder?"

"What connection was there between the Communist Party and the control of the resort camp known as Camp Unity and referred to in this letter?"

"Mr. Bart, at the time of the writing of this letter of February 23, 1939, did you hold any position in connection with the publication

of the Record, a newspaper published in Chicago, Ill.?

"Did you know William Weiner under the Communist Party name of Blake?"

"Did you know him under the name of Blake?"

"Did the World Tourists, Inc., ever pay out any transportation funds for you for any purpose?"

"Do you know Marcel Scherer?"

"You have told us you held various positions in the Communist Party. What were they besides organizer in Ohio, and you mentioned other States, Pennsylvania, Illinois, and I believe one other. What positions have you held besides organizer in those four States?"

"Did you engage in the work of recruiting, in the State of Illinois, prospective students to go to Moscow for study at the Lenin Institute?"

"Do you know the names of any American citizens or any residents of the United States who attended the Lenin Institute at Moscow?"

"Did you ever attend the Lenin Institute?" which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of said Philip Bart's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpoena served upon the said Philip Bart.

The record of the proceedings before the committee on June 21, 1950, during which Philip Bart refused to answer the aforesaid questions pertinent to the subject under inquiry is set forth in fact as follows:

"A subcommittee of the Committee on Un-American Activities met pursuant to call on June 21, 1950, at 11:10 a. m. in room 226, Old House Office Building, Hon. FRANCIS E. WALTER presiding.

"Committee members present: Representatives FRANCIS E. WALTER, BURR P. HARRISON, FRANCIS CASE, and HAROLD H. VELDE (arriving as indicated).

"Mr. WALTER. The meeting will come to order. For the purpose of this hearing the chairman has designated a subcommittee consisting of Messrs. HARRISON, CASE, VELDE, and WALTER, all being present.

"Mr. HARRISON. Mr. VELDE will be here presently.

"Mr. TAVENNER. Mr. Philip Bart.

"Mr. WALTER. Will you raise your right hand, please. You swear the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?"

"Mr. BART. I do.

"Mr. TAVENNER. Were you born under the name of Philip Bart?"

"Mr. BART. I wonder what this question has to do here?"

"Mr. UNGER. I think that is a fair point to have made. He stated to you that his name is Philip Bart. I think that should be adequate, Mr. Chairman.

"Mr. BART. It is my legal name. I vote under that name.

"Mr. TAVENNER. When did you take that name?"

"Mr. BART. Many years ago.

"Mr. TAVENNER. When?"

"Mr. BART. I don't care to discuss it.

"Mr. UNGER. Mr. Chairman, again, I think the purpose of the inquiry here must have something to do with something other than whether Mr. Bart had a different name at birth or any time in his life. He has stated that is his legal name. I think that should be sufficient to identify him for your committee. Beyond that, I don't know what it is for.

"(Representative VELDE enters hearing room.)

"Mr. WALTER. That will be developed, of course. It is an entirely proper question. If you are not going to answer, you just decline to answer and state your reasons for declining.

"Mr. BART. The reason is, Philip Bart is my legal name. I vote by that name and use that name only.

"Mr. HARRISON. Do I understand you refuse to answer the question?"

"Mr. BART. I will not answer it because it is not pertinent to the hearing.

"Mr. CASE. Mr. Chairman, I think he stated that he took that name a certain number of years ago. When was it that you took that name?"

"Mr. BART. I do not recollect.

"Mr. CASE. When did you come to the United States?"

"Mr. BART. I came here as a child. I do not know the date.

"Mr. CASE. How old were you when you came?"

(Witness confers with his counsel.)

"Mr. BART. I was 10 or 11 years old.

"Mr. CASE. Ten or 11 years old?"

"Mr. BART. Yes.

"Mr. CASE. What was your name at the time you came to the United States?"

"Mr. BART. I have already answered this question.

"Mr. WALTER. What was it?"

"Mr. UNGER. Mr. Chairman, I think we are spending a good deal of time, with all due respect to the Chair, on a point that has absolutely no bearing on any issue here.

"Mr. WALTER. That is only your opinion.

"Mr. UNGER. I said that was my opinion.

"Mr. CASE. Mr. Chairman, I don't know what the question will lead up to, but it certainly has been customary, when we have been interrogating witnesses who have come to the United States from other countries, to know when they came to the United States, and to know under what name they came, and to know the name shown on the passport. There is nothing improper or out of the way in asking such a question. I think we should have an answer to the question of the name he had when he came to the United States.

"Mr. UNGER. Are you suggesting the inquiry has to do with what this man did when he was 10 years old? You are talking about a 10-year-old boy.

"Mr. WALTER. Just a moment. I think Mr. Tavenner should be able to proceed, and after his questions, Mr. Case, you may ask such questions as you may desire. May I suggest, Mr. Tavenner, that you refresh the witness' recollection by telling him what his name was before he assumed his present name? Proceed.

"Mr. TAVENNER. You are a naturalized American citizen?"

"Mr. BART. Yes.

"Mr. TAVENNER. How did you become naturalized?"

"Mr. BART. Through process of my father.

"Mr. TAVENNER. What was your father's name?"

"Mr. BART. I have already dealt with this question.

"Mr. TAVENNER. When was your father naturalized?"

"Mr. BART. I do not remember.

"Mr. UNGER. Just a minute.

(Witness confers with his counsel.)

"Mr. BART. About 30 years ago.

"Mr. TAVENNER. Do you refuse to tell the committee your father's name?"

"Mr. UNGER. Mr. Tavenner, he doesn't refuse to tell the committee. He is trying to tell the committee that this line of inquiry is a highly improper one.

"Mr. WALTER. That is not within his province. The committee determines what is proper and what is not proper, and it is not up to you to determine that.

"Mr. UNGER. That is true.

"Mr. CASE. Mr. Chairman, it seems to me the counsel should advise his client and not the committee.

"Mr. UNGER. I am not trying to advise the committee. I tried to respectfully point out why it is an improper question. He is not ashamed of his father's name or his mother's name. What difference can it possibly make what his name was when he came here?"

"Mr. WALTER. We are not going to have you arguing with the committee or giving us your legal opinion, which may or may not be worth anything.

"Mr. UNGER. I have no further comment on the question.

"Mr. WALTER. All right.

"Mr. Bart, you claim citizenship by virtue of your father's citizenship; is that right?"

"Mr. BART. That is right.

"Mr. WALTER. Under what name did your father become a citizen of the United States?"

"Mr. BART. Under his own name.

"Mr. WALTER. What was that name?"

"Mr. BART. I have already stated my reply to this question as far as I am concerned.

"Mr. WALTER. How can you claim citizenship by virtue of your father's citizenship if you don't know what name your father used when he became a citizen?"

"Mr. UNGER. Mr. Chairman—

"Mr. WALTER. Let the witness answer the question. You may advise your client.

"Mr. BART. I have answered I am a citizen by virtue of that fact, and that this is my legal name by which I vote and am registered and am known.

"Mr. WALTER. When did you legally change your name?"

"Mr. BART. Many years ago.

"Mr. WALTER. Where?"

"Mr. BART. In the city of New York.

"Mr. WALTER. Did you have your name changed in court?"

"Mr. BART. Yes; about 15 years ago.

"Mr. UNGER. His answer is 'About 15 years ago.'

"Mr. WALTER. What name did you change your name from?"

"Mr. BART. I have already stated my reply to this question.

"Mr. HARRISON. I understand you refuse to answer the chairman's question?"

"Mr. BART. My answer is that I have answered what my name is here, which is the only question pertaining to the inquiry, it seems to me.

"Mr. WALTER. Of course, all of this is a matter of public record?"

"Mr. BART. Correct.

"Mr. WALTER. And then I suppose you know that under the law a question innocent on its face can't be arbitrarily ignored. You can't refuse to answer such a question without running the risk of the consequences.

"Mr. UNGER. I think, again, Mr. Chairman, Mr. Bart has indicated very plainly he has not been contumacious in any regard. He states his name has been Phillip Bart for a large number of years.

"Mr. WALTER. Don't argue with the committee. You advise your client as you see fit.

"Mr. CASE. Mr. Chairman, it seems to me the witness should be advised of the possibilities of contempt when he fails to answer a question as simple and as proper as your question as to what his name was before it was changed.

"Mr. WALTER. No. He has counsel. Counsel knows that is the law. Proceed, Mr. Tavenner.

"Mr. TAVENNER. Will you briefly summarize for the committee other positions which you have held and from which you have received a salary or gratuity, prior to the position you now hold?"

(Witness confers with counsel.)

"Mr. BART. It is evident that in these questions a newspaper is involved, and I shall not answer because I feel that this

committee, if it proceeds with this kind of questions, is infringing on the first amendment of the Constitution of our country, freedom of the press, and I shall not be a party to anything of that kind.

"Mr. TAVENNER. That is the ground upon which you refuse to answer the question as to what positions you have held prior to your present position?

"(Witness confers with his counsel.)

"Mr. WALTER. Did you ever hold any positions other than positions with newspapers?

"Mr. BART. I did.

"Mr. WALTER. What were they?

"Mr. BART. I was organizer and head of the Communist Party at different times, in different years.

"Mr. WALTER. Where?

"Mr. BART. In Illinois and Pennsylvania among many.

"Mr. TAVENNER. The Daily Worker of March 28, 1936, shows you to have been a section organizer for the Communist Party in Ohio. That is correct, is it not?

"Mr. BART. Most likely.

"Mr. TAVENNER. Well, you know whether you were a section organizer for the Communist Party in Ohio, do you not?

"Mr. BART. I do not know the exact period of time you mentioned. It is 14 years ago.

"Mr. TAVENNER. Who were the other officials of the Ohio section of the Communist Party during the period of time you were organizer there?

"Mr. BART. I object to this question. I will not answer it, standing on my rights in accordance with article V of the Constitution, and furthermore, I protest because this committee has asked this question of numerous people and has infringed upon their rights as American citizens.

"Mr. TAVENNER. I think, Mr. Bart, I should point out that your testimony relating to other people who were associated with you at that time could not in any way incriminate you under this fifth amendment.

"Mr. UNGER. I should like to correct you, Mr. Tavenner.

"Mr. WALTER. You advise your client.

"Mr. TAVENNER. You have told us you were a section organizer for the Communist Party in Ohio, and my question now is, Who were the officials who worked with you in that work; that is, officials of the Ohio section of the Communist Party?

"Mr. UNGER. Permit me to advise my client that Mr. Tavenner, counsel, is in error in his interpretation of the Constitution so far as the fifth amendment is concerned, and that Mr. Bart, the witness, is entirely correct in his interpretation of the Constitution, and has a right to assert that this committee has no right—no right, let me make it plain—

"Mr. WALTER. Under our procedure the attorney is permitted to advise his client and then the client, the witness, answers the question. You may advise your client.

"Mr. CASE. Mr. Chairman, let us have an understanding in that if counsel is going to be permitted to make a stump speech he gets in the position of testifying rather than the witness.

"Mr. UNGER. That is not fair. I don't like to be accused of making a stump speech when I make a legal argument.

"Mr. WALTER. You do not make legal arguments here. When a question is asked your client, you advise your client, and then let him answer the question.

"Mr. UNGER. As he has stated in his previous answer, he is not required to testify against himself.

"Mr. BART. I stand on the advice of my counsel. I am not required to testify against myself, and in accordance with article V of the Constitution I will not answer the question.

"Mr. TAVENNER. I was not asking you to testify against yourself. I was asking you

to state the names of other persons associated with you.

"Mr. BART. I consider this an attempt on the part of the committee to use this against myself as well as against others, as it has on many previous occasions.

"Mr. WALTER. And therefore, you refuse to answer?

"Mr. BART. I refuse to answer.

"Mr. TAVENNER. Mr. Bart, in 1934, according to the Party Organizer, a publication issued by the Central Committee of the Communist Party. That was one of the positions to which you referred, was it not, in which you had been engaged in Communist Party work?

"(Witness confers with his counsel.)

"Mr. BART. On the basis of the first amendment to the Constitution, the committee has no right to ask me my political affiliations, and on the basis of the fifth amendment I believe that this question is directed and may tend to be used against me; consequently, I will not reply.

"Mr. TAVENNER. I hand you the December 1934 issue of Party Organizer, issued by the Central Committee, Communist Party, United States of America, and I refer you to page 3, where there is an article entitled 'The Recruiting Campaign in Cleveland District,' by Phil Bart, organizational secretary, district No. 6. I will ask you to examine it. Did you make that contribution to that magazine?

"Mr. BART. I will answer the question similarly to the way that I answered the previous one, on the grounds of the first amendment to the Constitution, which does not allow looking into the political affiliations of individuals, and on the grounds of the fifth amendment, it may tend to be used against me by this committee.

"Mr. TAVENNER. I offer the pamphlet for identification only and ask that it be marked 'Bart Exhibit No. 1.'

"(The pamphlet above referred to, marked 'Bart Exhibit No. 1' for identification only, is filed herewith.)

"Mr. TAVENNER. At this time, in 1934, who were the officers of district 6 of the Communist Party?

"Mr. UNGER. Mr. Chairman, may I ask you this: Apparently a series of questions of the same character is going to be asked by counsel. I do not object to counsel asking the questions, if that is what he wants to do, but it seems the Constitution should be applied to you as well as everybody else. You have no right to make inquiries into things of that kind. Isn't that perfectly reasonable to suggest? Whether you like it or not, you are bound by the Constitution in the same way I am and my client is, and therefore you should live up to it.

"Mr. WALTER. The members of the committee haven't the faintest idea what questions are going to be asked. In fact, none of us knew who was going to be here. It is apparent that the witness does not intend to cooperate with the committee, and therefore I do not see why we should ask any further questions, and therefore the witness is excused.

"Mr. UNGER. I want to say this—

"Mr. HARRISON. Mr. Chairman, I don't care to hear from this gentleman.

"Mr. UNGER. Come, now, I am counsel and I think I should be treated politely. I don't say that to you, that I don't care to hear from you. My Lord.

"Mr. WALTER. We have permitted you to appear on behalf of your client. You have been permitted to advise your client.

"Mr. UNGER. I object to this improper remark on the part of this Congressman. I have just asked the witness one question with reference to one you asked before—

"Mr. BART. Let it go.

"Mr. WALTER. Mr. Tavenner is going to ask a question along a different line entirely.

"Mr. TAVENNER. Mr. Bart, have you traveled outside the continental limits of the United States since your first arrival here?

"Mr. BART. I refuse to answer this question, which, according to article V of the Constitution, may be used by this committee against me and incriminate me.

"Mr. TAVENNER. In what way could information of that character be used to incriminate you?

"Mr. BART. That is up to the committee.

"Mr. TAVENNER. I might say to you that if the point you have in mind is the probable misuse of passports, the statute of limitations long since have run against such an offense.

"Mr. BART. I have not misused passports.

"Mr. TAVENNER. I am just advising you, if that is the point you have in mind.

"Mr. BART. I haven't stated whether I have been out of the United States, either, and so don't accuse me.

"Mr. TAVENNER. Have you ever been out of the United States?

"Mr. BART. I refuse to answer.

"Mr. TAVENNER. Have you ever used the name John William Fox?

"Mr. BART. I will not answer this question, which, in accordance with article V of the Constitution, may be used by this committee to incriminate me.

"Mr. TAVENNER. Mr. Bart, I hand you a photostatic copy of an application for passport signed in the name of John William Fox, and I will ask you to look at the photograph appearing on the second page and state to me whether or not that is a photograph of you?

"Mr. BART (after examining document). I refuse to answer.

"Mr. UNGER. I thought you just said you had nothing to do with passports.

"Mr. TAVENNER. In reply to counsel's question—

"Mr. WALTER. Mr. Tavenner, ask the witness questions.

"Mr. TAVENNER. That passport application is dated in 1932, and the statute of limitations has long since applied against any claim of false use of it. Now will you answer the question?

"Mr. UNGER. If that is what it is, in 1932—and I haven't checked it to see—I would like to know what your concern is about. But in any event, the witness has already answered the question, and I think quite correctly.

"Mr. TAVENNER. Did you use that passport, Mr. Bart?

"Mr. BART. I will not answer this question because in accordance with article V of the Constitution it may be used against me by this committee to incriminate me at some future date.

"Mr. TAVENNER. Mr. Bart, were you ever known within the Communist Party by the name of Jack Childs?

"Mr. BART. I will not answer this question because in accordance with article V of the Constitution it may be used against me by this committee and may tend to incriminate me.

"Mr. TAVENNER. Do you know William Weiner?

"Mr. BART. I refuse to answer this question for the same reason.

"Mr. TAVENNER. Do you know Ephraim Schwartzman?

"Mr. BART. I refuse to answer for the same reason given before.

"Mr. TAVENNER. I hand you a photostatic copy of a letter bearing date February 21, 1939, signed by E. Schwartzman, national secretary, Jewish Peoples Committee, addressed to Mr. Jack Childs, and I will ask if you received that letter?

"Mr. BART (after examining document). I refuse to answer because in accordance with article V of the Constitution this may be used by this committee and tend to incriminate me.

"Mr. WALTER. Mr. Bart, did you ever live at 148 Second Avenue, New York?"

"Mr. BART. I refuse to answer the question for the same reason."

"Mr. TAVENNER. In 1939 did you live at 854 West One Hundred and Eightieth Street, New York City?"

"Mr. BART. I refuse to answer this question for the reasons I have already given."

"Mr. TAVENNER. Mr. Bart, I will now read you a letter addressed to Mr. William Weiner, dated February 23, 1939, signed by 'Jack.' Before reading it, I will ask if you wrote that letter?"

"Mr. BART (after examining document). I refuse to answer this question because, in accordance with article V of the Constitution, this may be utilized by this committee against me, as it has against many others, and tend to incriminate me."

"Mr. TAVENNER. I will read the letter:"

"DEAR WILL: I am sorry for the delay in sending you the \$100. Your letter didn't reach me until this morning, and the office, as you know, was closed yesterday."

"Today, Thursday, the situation is such: Max is still managing, and sees no great danger, so to speak. No big requests are made, and we still have a dozen of your checks left. It would help much, though, if Bill Browder would pay his dues and not deduct the daily loan of \$2,500 plus the \$600 tax money of Camp Unity. We know that you don't agree with this, and perhaps a note to him might persuade him to make some payments to us. Today he said he would let us know on Saturday how much money he would let us have on Tuesday."

"The Garden meeting will be held on Monday (by Monday he will owe us about \$5,000)."

"Joe somehow manages to get by, and seldom comes upstairs. He told me that he would be able to steer through until you return, and that the drive is still slow. He is looking forward to the next week end. The last week end was not so bad. He still owes us the \$1,500."

"The paper company granted another carload to Chicago, and was willing to wait for payment until you returned. Joe made this agreement with them. Chicago has had two big runs, due to the primaries which will be held there soon. Hundreds of thousands of copies of the Record have been printed. I don't think they will bother us very much until you return."

"Earl, in a letter to the boys last week, asked that traveling be more systematic and that they coincide with the speakers' bureau schedule. This will help greatly in lessening traveling expenses. The idea is to cut it down."

"Will Weinstone was given \$50 for fare and several weeks' wages in advance. He said at the time that it would be enough. I am sorry if you were caused any inconvenience because of the additional amounts you have had to give him."

"The response of the State budgets is fair. We will be able to give you a report by the time you return. Other details can wait until you come back."

"I am sorry to write you such a long letter, but you wanted to get some idea of the situation here. Try, if you can, to stay longer; for, as you know already, the people here know that you are out of town, and they do not come around, and very few phone calls come in for you."

"Everybody here is in good health, but it is cold as hell. Yesterday was the coldest day of the year, with all the trimmings—snow, sleet, rain."

"Thanks for the regards. Please forward our best to all."

"It is signed, 'Jack.'"

"Mr. BART. Can I glance at that once more?"

"Mr. TAVENNER. Yes (handing document to witness)."

"Mr. UNGER. Mr. Tavenner is a good reader, but otherwise I don't know what it has to do with him or the committee."

"Mr. CASE. What was the date of the letter?"

"Mr. TAVENNER. February 23, 1939."

"Mr. BART. I have already answered this question."

"Mr. TAVENNER. You have no further reply to make?"

"Mr. BART. No."

"Mr. TAVENNER. Did you know Bill Browder, the brother of Earl Russell Browder?"

"Mr. BART. I will not answer this question for the same reason I have not answered the others."

"Mr. TAVENNER. What connection was there between the Communist Party and the control of the resort camp known as Camp Unity and referred to in this letter?"

"Mr. BART. I object to this whole line of questions, which does not concern myself, and I repeat again that this aims to incriminate me, and in accordance with article V of the Constitution I will not be a party with this committee to such actions."

"Mr. CASE. Mr. Chairman, counsel says he see no connection, and the witness is constantly saying there is some connection."

"Mr. UNGER. Are you a lawyer? That isn't what that means, you see. If that is Mr. Case and he is a lawyer, perhaps I ought correct him as to his interpretation of law. So you won't answer. Are you afraid to answer?"

"Mr. CASE. No. I am not a lawyer."

"Mr. WALTER. We are permitting you to appear. You don't appear as a matter of right. And I hope you will advise your client and not argue with the committee."

"Mr. UNGER. I think the record should show that the interpretation put on the answer—"

"Mr. WALTER. The record shows exactly what took place."

"Mr. UNGER. Very well."

"Mr. TAVENNER. Mr. Bart, at the time of the writing of this letter of February 23, 1939, did you hold any position in connection with the publication of the Record, a newspaper published in Chicago, Ill.?"

"Mr. BART. I will not answer this question for the same reason."

"Mr. TAVENNER. Did you know William Weiner under the Communist Party name of Blake?"

"Mr. BART. I have already answered previously the question of whether I knew William Weiner."

"Mr. TAVENNER. Did you know him under the name of Blake?"

"Mr. BART. I have answered whether I knew Mr. Weiner under one name or under another."

"Mr. TAVENNER. Did the World Tourists, Inc., ever pay out any transportation funds for you for any purpose?"

"Mr. BART. I refuse to answer this question in accordance with article V of the Constitution, because the whole aim here is not the asking of questions, but trying to utilize it against me as it has been utilized against many others, as this committee has a record."

"Mr. TAVENNER. Mr. Chairman, it seems apparent that the witness will not cooperate in answering questions. There are others that might be asked, but I see very little point in doing so. Before closing my questions I do want to ask one other question. Do you know Marcel Scherer?"

"Mr. BART. I will answer it the same way, that I will not answer the question because in accordance with article V it may be used by this committee to tend to incriminate me, as it has been used against the Communist Party."

"Mr. TAVENNER. You have told us you held various positions in the Communist Party. What were they besides organizer in Ohio, and you mentioned other States, Pennsylvania, Illinois, and I believe one other. What positions have you held besides organizer in those four States?"

"Mr. BART. I will not answer this question because it is part of a pattern to incriminate me, and in accordance with article V of the Constitution I stand on my right not to reply."

"Mr. TAVENNER. Did you engage in the work of recruiting, in the State of Illinois, prospective students to go to Moscow for study in the Lenin Institute?"

"Mr. UNGER. You got everything in that one, didn't you—Moscow, Lenin Institute, and recruit. This ought to make a headline."

"Mr. BART. I refuse to answer the question because it is a question asked to incriminate me under article V."

"Mr. WALTER. Article V of what?"

"Mr. BART. Of the Constitution of the United States."

"Mr. TAVENNER. Do you know the names of any American citizens or any residents of the United States who attended the Lenin Institute at Moscow?"

"Mr. BART. I will not answer this question because in accordance with article V of the Constitution of the United States this may tend to be utilized to incriminate me and others, of my party, especially."

"Mr. TAVENNER. Did you ever attend Lenin Institute?"

"Mr. BART. I refuse to answer for the same reason."

"Mr. TAVENNER. I have no further questions, Mr. Chairman."

"Mr. WALTER. The witness is excused."

"Mr. BART. Mr. Chairman, I want to say that this committee has called me to smear me and everybody here, and has sent people to jail for that. You did not call me because you were interested in any facts."

"Mr. WALTER. If you thought as much of the Constitution, behind which you are hiding, as you say you do, you would be perfectly willing to assist this committee in trying to ascertain what alleged Americans were trained in Russia."

"Mr. BART. I will defend the Constitution, but I will not be a party to trying to send people to jail."

"Mr. WALTER. Very well. You are excused."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Philip Bart relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Were you born under the name of Philip Bart?"

"When did you take that name?"

"What was your name at the time you came to the United States?"

"What was your father's name?"

"Under what name did your father become a citizen of the United States?"

"What was that name?"

"What name did you change your name from?"

"Will you briefly summarize for the committee other positions which you have held and from which you have received a salary or gratuity, prior to the position you now hold?"

"Who were the other officials of the Ohio section of the Communist Party during the period of time you were organizer there?"

"You have told us you were a section organizer for the Communist Party in Ohio, and my question now is, Who were the officials who worked with you in that work, that is, officials of the Ohio section of the Communist Party?"

"Mr. Bart, in 1934, according to the Party Organizer, a publication issued by the Central Committee of the Communist Party, you were organizational secretary of district 6 of the Communist Party. That was one of

the positions to which you referred, was it not, in which you had been engaged in Communist Party work?

"I hand you the December 1934 issue of Party Organizer, issued by the Central Committee, Communist Party, United States of America, and I refer you to page 3, where there is an article entitled 'The Recruiting Campaign in Cleveland District,' by Phil Bart, organizational secretary, district No. 6. I will ask you to examine it. Did you make that contribution to that magazine?"

"At this time, in 1934, who were the officers of district 6 of the Communist Party?"

"Mr. Bart, have you traveled outside the continental limits of the United States since your first arrival here?"

"Have you ever been out of the United States?"

"Have you ever used the name John William Fox?"

"Mr. Bart, I hand you a photostatic copy of an application for passport signed in the name of John William Fox, and I will ask you to look at the photograph appearing on the second page and state to me whether or not that is a photograph of you?"

"Did you use that passport, Mr. Bart?"

"Do you know William Weiner?"

"Do you know Ephraim Schwartzman?"

"I hand you a photostatic copy of a letter bearing date February 21, 1939, signed by E. Schwartzman, national secretary, Jewish Peoples Committee, addressed to Mr. Jack Childs, and I will ask if you received that letter?"

"Mr. Bart, did you ever live at 148 Second Avenue, New York?"

"In 1939 did you live at 854 West One Hundred and Eightieth Street, New York City?"

"Mr. Bart, I will now read you a letter addressed to Mr. William Weiner, dated February 23, 1939, signed by 'Jack.' Before reading it, I will ask if you wrote that letter?"

"Did you know Bill Browder, the brother of Earl Russell Browder?"

"What connection was there between the Communist Party and the control of the resort camp known as Camp Unity and referred to in this letter?"

"Mr. Bart, at the time of the writing of this letter of February 23, 1939, did you hold any position in connection with the publication of the Record, a newspaper published in Chicago, Ill.?"

"Did you know William Weiner under the Communist Party name of Blake?"

"Did you know him under the name of Blake?"

"Did the World Tourists, Inc., ever pay out any transportation funds for you for any purposes?"

"Do you know Marcel Scherer?"

"You have told us you held various positions in the Communist Party. What were they besides organizer in Ohio, and you mentioned other States, Pennsylvania, Illinois, and I believe one other. What positions have you held besides organizer in those four States?"

"Did you engage in the work of recruiting, in the State of Illinois, prospective students to go to Moscow for study at the Lenin Institute?"

"Do you know the names of any American citizens or residents of the United States who attended the Lenin Institute at Moscow?"

"Did you ever attend Lenin Institute?" which questions were pertinent to the subject under inquiry, is a violation of the subpoena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with

and that it be printed at this point in the RECORD.

Mr. HOFFMAN of Michigan. Reserving the right to object, Mr. Speaker, does not the gentleman think he is affording an opportunity for some lawyers who are learned in the law, and who may desire to advance some technical objections when these cases come up for prosecution, to further their own interests in the case?

Mr. WOOD. Mr. Speaker, in reply to that, I may say that the report of the committee has been made available to every Member of the House and if the House grants the unanimous-consent request, I do not see that any point can be raised against it.

Mr. HOFFMAN of Michigan. That may be all right, but it is evident that these reports have not been read. It is very evident that they have not been read.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 751) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Philip Bart to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the District of Columbia, to the end that the said Philip Bart may be proceeded against in the manner and form provided by law.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. CASE of South Dakota. Mr. Speaker, I call attention to the fact that the proceeding before us and the report of it now in the RECORD details the questions offered by counsel and by various members of the committee, and in each case shows the refusal to answer or the purported answer of Philip Bart. In short, we have a complete record of the contempt in the RECORD of our proceedings at this point.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. McCORMACK. Mr. Speaker, I also believe the RECORD ought to show that the printed reports are available to all Members of the House, and it is presumed that each Member has read the report. When a unanimous-consent request is made to dispense with further reading of a report and that it be printed in the RECORD, that request is consistent with parliamentary law and legislative procedure, and it is very frequently resorted to, and completely in accordance with our legislative procedure.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. FULTON. I am interested in the legal sufficiency of the action we are taking here and would like to know when the Supreme Court previously overruled

the records of this Congress by saying that actually on committee action there was not a quorum present, might not the same Supreme Court overrule the action here today by saying they question whether there is a quorum on these people we are citing?

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. CASE of South Dakota. Mr. Speaker, it is evidenced by the proceedings up to now that a quorum has been present. It was only a few minutes ago that a roll-call vote demonstrated that a quorum was present. Under the procedure followed since then, very little time has been consumed.

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present, if he is going to take that attitude.

The SPEAKER. The gentleman from Michigan [Mr. HOFFMAN] makes the point of order that a quorum is not present. The Chair will count. [After counting.] A quorum is not present.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 45 minutes p. m.) the House adjourned until tomorrow, Friday, August 11, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1624. Under clause 2 of rule XXIV, a letter from the Acting Secretary of Agriculture, transmitting the report on co-operation of the United States with Mexico in the control and eradication of foot-and-mouth disease for the month of June 1950, pursuant to Public Law 8, Eightieth Congress, was taken from the Speaker's table and referred to the Committee on Agriculture.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HART: Committee on Merchant Marine and Fisheries. H. R. 6061. A bill to authorize the United States Maritime Commission to provide war risk and certain marine and liability insurance; with amendment (Rept. No. 2846). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Julius Emspak. (Rept. No. 2847). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Steve Nelson. (Rept. No. 2848). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Philip Bart. (Rept. No. 2849). Ordered to be printed.

Mr. GILMER: Committee on the Judiciary. S. 2868. An act to incorporate the Future Farmers of America, and for other purposes; without amendment (Rept. No. 2852). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. S. 3698. An act to enable the Secretary of Agriculture to furnish, upon a reimbursable

basis, certain inspection services involving overtime work; without amendment (Rept. No. 2853). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 9284. A bill to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; without amendment (Rept. No. 2854). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XXII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. H. R. 2093. A bill authorizing the Secretary of Agriculture to execute a quitclaim deed to property owned by Jacob F. Riedel; without amendment (Rept. No. 2851). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. BOLTON of Ohio:

H. R. 9398. A bill to provide for the appointment of male citizens as nurses in the Army, Navy, and Air Force, and for other purposes; to the Committee on Armed Services.

By Mrs. KELLY of New York:

H. R. 9399. A bill to provide a more effective method of delivering applications for absentee ballots to servicemen and certain other persons; to the Committee on House Administration.

By Mr. PHILLIPS of Tennessee:

H. R. 9400. A bill to provide family allowances for the dependents of enlisted members of the Armed Forces of the United States, and for other purposes; to the Committee on Armed Services.

By Mr. HAGEN:

H. R. 9401. A bill for the relief of Pennington County, Minn.; to the Committee on the Judiciary.

By Mr. JONAS:

H. R. 9402. A bill to amend the Selective Service Act of 1948 to eliminate the right of certain citizens of foreign countries residing in the United States to be relieved from liability for training and service; to the Committee on Armed Services.

By Mrs. NORTON:

H. J. Res. 518. Joint resolution authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author; to the Committee on House Administration.

By Mr. CAVALCANTE:

H. J. Res. 519. Joint resolution to permit the National Grange to erect a marker on Federal land in the District of Columbia; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEALL:

H. R. 9403. A bill for the relief of Elizabeth Sabow; to the Committee on the Judiciary.

By Mr. BRAMBLETT:

H. R. 9404. A bill for the relief of Fumio Uchida; to the Committee on the Judiciary.

By Mr. CANNON:

H. R. 9405. A bill for the relief of Hitomi Okuhara; to the Committee on the Judiciary.

By Mr. FALLON:

H. R. 9406. A bill for the relief of the Peerless Casualty Co. and of Charles E. Nelson and Irwin I. Main; to the Committee on the Judiciary.

By Mr. REED of Illinois:

H. R. 9407. A bill for the relief of Henry J. Krueger; to the Committee on the Judiciary.

By Mr. STEFAN:

H. R. 9408. A bill to authorize the sale of inherited interests in the Appearing Moon allotment on the Winnebago Indian Reservation in Nebraska; to the Committee on Public Lands.

H. R. 9409. A bill to authorize the sale of inherited interests in the allotment of Samuel Wolf, deceased Santee Sioux allottee; to the Committee on Public Lands.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2325. By Mr. CANFIELD: Resolution of the Riverside Veterans, Inc., Paterson, N. J., pledging themselves to do everything in their power to discourage hoarding and profiteering, to help obtain a speedy victory in Korea, and offering prayers for our leadership in the current crisis; to the Committee on Banking and Currency.

2326. By the SPEAKER: Petition of Frank P. Gilley, D. D. S., secretary, Maine Dental Society, Bangor, Maine, requesting Congress not to enact any legislation containing the principle of compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

SENATE

FRIDAY, AUGUST 11, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, we thank Thee for the sweet refreshment of restoring sleep and the beckoning glory of this new day. In a turbulent time we would wait to put our hearts in tune with the infinite. Pausing at this daily altar we would be conscious of those voices that speak of high motives in a world ridden by low motives, of purity in an age blatant with uncleanness, of self-giving amid social systems which in their blindness still crucify their prophets. In such a world, where the lowest is so commonly the loudest, we need at the day's beginning a shrine of reverence to give the highest a chance at our lives. We cannot maintain the fine edge of our spiritual morale in the constant babel of the world's uproar. For our soul's sake, lead us in the paths of righteousness to quiet places of the spirit, to still waters and green pastures, that our jaded and frayed spirits may be restored. In the Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. MAYBANK, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 10, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 10, 1950, the President had approved and signed the following acts:

S. 2016. An act for the relief of Mr. and Mrs. Charles R. Proctor;

S. 2863. An act to provide for the expansion and disposition of certain national cemeteries; and

S. 3520. An act to strengthen the common defense by providing for continuation and expansion of western hemisphere production of abaca by the United States.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (S. J. Res. 193) to amend section 14 of the Merchant Ship Sales Act of 1946, as amended, for the purpose of correcting an error in Public Law 591, Eighty-first Congress, and it was signed by the Vice President.

LEAVES OF ABSENCE

On his own request, and by unanimous consent, Mr. THYE was excused from attendance on the session of the Senate Monday of next week.

On request of Mr. WHERRY, and by unanimous consent, the leave of absence originally granted to Mr. CAIN to August 15 was extended to August 28.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MAYBANK, and by unanimous consent, the Subcommittee on Labor-Management Relations of the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate for the remainder of today.

On request of Mr. DARBY, and by unanimous consent, the Subcommittee on Wire Tapping of the Committee on the District of Columbia was authorized to meet during the session of the Senate today.

CALL OF THE ROLL

Mr. MAYBANK. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Alken	Byrd	Darby
Anderson	Capehart	Donnell
Brewster	Chapman	Douglas
Bricker	Chavez	Dworshak
Bridges	Connally	Eastland
Butler	Cordon	Ecton